



Daily Report

East Asia

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Kim Yong-sam Hosts Luncheon for IPI Directors

SK1905100995 Seoul YONHAP in English
0727 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — President Kim Yong-sam on Friday [19 May] hosted a luncheon at Chongwadae [presidential offices] for the 21 directors of the International Press Institute's (IPI) Korean National Committee to demonstrate his appreciation for the role they played in Korea's successful hosting of the 44th IPI General Assembly in Seoul.

Among those invited to the luncheon were Pang Sang-hun, chairman of the IPI Korean Committee and president-publisher of the vernacular daily, CHOSON ILBO, and Hyon So-hwan, chief organizer of the IPI Seoul assembly and president-publisher of YONHAP News Agency.

The chief executive evaluated the IPI Seoul meeting, held at the Lotte Hotel in downtown Seoul Monday through Wednesday this week, as a success saying, "The gathering contributed greatly to informing the world about the democratization and a free press South Korea has achieved, and providing the world with an accurate perception of the country. In particular, it helped arouse the world's attention to the realities of North Korea."

Kim stressed, "The Korean press should now play a role in the formulation of global public opinion, commensurate with its economic strength."

The president asked the participants to further develop a trustworthy and competitive free press by enhancing the standards of news gathering, reporting and managing.

Discusses Korea Telecom Dispute

SK1905100495 Seoul YONHAP in English
0849 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — President Kim Yong-sam Friday [19 May] warned that

the government will get tough on Korea Telecom's labor dispute and deal with it in strict compliance of the law.

President Kim made the remarks while hosting a luncheon for leaders of the International Press Institute's (IPI) Korean National Committee, including Chairman Pang Sang-hun, president-publisher of the CHOSON ILBO, and Vice Chairman Hyon So-hwan, president-publisher of YONHAP News Agency.

The president said, "Korea Telecom's trade union's obstruction of the country's telecommunication operations, which started in May last year, would be unthinkable unless it's prompted by an intention to subvert the state."

He said, "The government will handle the incident in strict accordance of the law since it is not a simple labor dispute but a dispute that threatens national security."

The president's warning reflects a firm government determination to crack down on any type of strike at Korea Telecom, if it were to take place.

It is quite unusual for the chief executive, who has remained silent on a sit-in strike at Hyundai Motor Co.'s Ulsan plant, to have defined Korea Telecom's labor disputes as harboring an intent to subvert the state. It is interpreted as an expression of his intention to establish firm discipline in the state and society.

"The government has trained cadres who can immediately cope with an extreme situation like a strike. So the citizens don't have to worry," Kim said. "I, as president, will do my best to fulfill my constitutional responsibility safeguarding the state and protecting the livelihood of the people."

Noting that Korea Telecom is "the nation's central nerve system," the president said, "under no circumstances, will a law violation be tolerated in the future."

Japan

Igarashi Strongly Criticizes U.S. Government

OW1805135595 Tokyo ASAHI SHIMBUN
in Japanese 17 May 95 Evening Edition p 1

[FBIS Translated Text] On the morning of 17 May, Chief Cabinet Secretary Kozo Igarashi strongly criticized the U.S. Government for having announced a tentative sanction list regarding the Japan-U.S. automobiles and auto parts talks. He said: "Although the United States may consider the Murayama cabinet's foundation unstable, this cabinet has a solid foundation. Since the cabinet is pushing forward people-friendly politics, its stance might be viewed as soft. However, it has steadily fulfilled its duties. The United States should not misjudge the Murayama cabinet."

On the same morning, a top government official also stated: "Japan will not be the first to make a compromise."

Daily on Hashimoto Denouncing U.S. Sanctions

OW1705141495 Tokyo YOMIURI SHIMBUN
in Japanese 17 May 95 Morning Edition p 9

[FBIS Translated Text] The United States has announced a sanctions list of Japanese-built deluxe automobiles to be hit by punitive tariffs. In reaction, on the evening of 16 May, International Trade and Industry Minister Ryutaro Hashimoto issued a statement claiming: "The action taken by the United States clearly constitutes a violation of the rules of the World Trade Organization (WTO) and we deeply regret it." The statement also added: "We are convinced that a WTO referee will make a wise judgment in accordance with international trade rules."

Selection of Next Envoy to U.S. Discussed

OW1805141695 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 14 May 95 Morning Edition p 2

[Unattributed "Frontline" column article entitled: "Selection of Next Ambassador to the United States Straying Off Course"]

[FBIS Translated Text] The government is faced with difficulty in deciding on who should succeed Ambassador to the United States Takakazu Kuriyama, who had already served a full three-year term by last January. Although selection of the next ambassador has been narrowed down to two candidates — Vice Foreign Minister Kunihiko Saito and Ambassador to the United Nations Hisashi Owada, "it is totally unpredictable who will be appointed" because they can be compared favorably with each other (as stated by a senior Foreign Ministry official). While some argue that a nonpolitician should

be assigned, others recommend former Prime Minister Kiichi Miyazawa for the ambassadorship. And it seems most likely that the relief, originally scheduled for this summer, will now be put off until the end of the year. The appointment of the envoy to Washington considered as the "top diplomatic post" has now become an increasingly complicated problem.

The race for the post has now become a complicated issue involving three officials: "Saito, who positively declines to accept the offer; Owada, who is making thorough preparations for this appointment; and Deputy Prime Minister and Foreign Minister Yohei Kono who is opposed to Owada's appointment."

"Planning To Enjoy Leisurely Life in Retirement"

Since his early years at the Ministry of Foreign Affairs (MOFA), Saito has been known as "Prince of the MOFA." Many government officials as well as ruling coalition politicians speak highly of his diplomatic ability and recommend him as the next ambassador. However, Saito himself has strongly rejected the offer under the pretext that he has never experienced any assignments in the United States. Instead, he has recommended Owada for the post. With regard to his own future plans, he has stated in earnest: "In my retirement, I would like to enjoy a leisurely life by playing the piano, which is one of my hobbies." Reportedly, Saito even gave a party at his residence last spring "to show off a piano," which he said "had been procured in preparations for his retirement life." In contrast to the earnest hopes expressed by those surrounding him, Saito takes a considerably firm position of rejecting the offer at present.

Appointment on the Forefront Seems Undesirable

Meanwhile, Owada has indicated a strong intention to become the next ambassador. During his years at the MOFA, Owada has been known as the top disputant at the Ministry. He is known by the nickname "Professor Owada," because of his extensive knowledge, which is comparable to that of many scholars. Since Owada has many personal connections in the United States, he is well qualified for the post of ambassador to that country. When he assumed the post of ambassador to the United Nations in March, 1994, the appointment was seen as "a step toward becoming the next ambassador to the United States." It is reported that Owada himself "had a strong desire to become a helmsman in charge of the Japan-U.S. relationship" (as stated by one who is close to Owada.)

Standing in Owada's way is Foreign Minister Kono who concurrently serves as deputy prime minister, and who holds the right of personnel management.

As is known to all, Mr. Owada is the father of the Crown Princess. In this connection, Kono is strongly opposed to Owada's appointment, maintaining that "it is undesirable to assign him to the forefront of our diplomacy with the United States because in this post, he will be forced to engage in severe negotiations on such topics as economic issues." So far, Sato has held direct talks with Kono on Owada's appointment on three occasions but his suggestion was reportedly rejected on each occasion.

Under such circumstances, those who are close to the foreign minister have suddenly brought up, since early May, the possibility of appointing former Prime Minister Kiichi Miyazawa to the post. It is reported that having become impatient with the issue of appointing either Saito or Owada, the foreign minister has directly approached Miyazawa to examine the possibility of appointing him as the next envoy. However, this report has created widespread shock within the MOFA. The appointment of a former prime minister as ambassador to the United States has never been heard of. However, those who are close to the foreign minister state that "the United States has appointed Mr. Mondale, former vice president under the Carter administration, as ambassador to Japan." Therefore, the foreign minister seems to have probed, in earnest, into the possibility of Miyazawa's appointment, maintaining that "Japan should send Miyazawa, who is known as pro-United States, to Washington so that Miyazawa can play his role in improving the Japan-U.S. relationship which now entails difficult problems."

Alternate Approach to Persuasion

However, it is reported that Miyazawa himself has flatly rejected the offer. Therefore, it is almost impossible for the appointment of "Ambassador Miyazawa" to become a reality. Miyazawa and Saito are relatives: they are cousins. It is generally speculated that in trying to involve Miyazawa, Foreign Minister Kono "has taken an alternate approach to persuading Saito into accepting the offer."

"Now that the issue has become so complicated, the only alternative left is to wait for a political change of government which is expected around the Upper House election scheduled for this summer." This is what a MOFA senior official has stated. In his view, the final decision on the selection of the next ambassador to the United States will depend on changes in the political situation. However, it is difficult to say whether he made these remarks in jest or in earnest. It is calculated that if there are no changes in Saito's position on rejecting the offer, but there are changes in the framework of the current coalition, "Kono will leave his position

as foreign minister," and "there will be a growing possibility that the issue of appointing Owada can be solved easily."

Quite a few MOFA officials observe that "while taking the results of the Upper House election into consideration, senior officials intend for the time being to play for time." In this connection, the issue on selecting the next ambassador to the United States has become embroiled with the political situation, and it is most likely that the issue will take a more complicated course.

Hashimoto on Countersanctions Against U.S.

OW1905124195 Tokyo KYODO in English
1141 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Whether Tokyo will react to U.S. punitive duties on Japanese luxury car exports with its own countersanctions depends on the degree of implementation of the proposed U.S. duties on a list of 13 car models. International Trade and Industry Minister Ryutaro Hashimoto suggested Friday [19 May].

Hashimoto spoke briefly on the issue at a session of the House of Councillors Budget Committee in reply to a question on how Tokyo would retaliate if the U.S. duties were imposed.

The government is waiting to see "to what degree the list of sanctions measures will be implemented," he said.

"We will consider (whether to retaliate) at a stage when the sanctions measures are finalized and implemented," Hashimoto told the panel.

Hashimoto was apparently referring to simmering speculation that the U.S. Government may scale down the scope of the proposed sanctions within the next six weeks in response to calls from some domestic critics.

Washington said Tuesday it will announce the finalized sanctions measures June 28 after accepting written public comments on the measures and holding one or two hearings from June 8.

Hashimoto also warned that a possible full implementation of a 100 percent ad valorem duty on 13 selected luxury models would backfire on U.S. suppliers of auto parts who have exported a portion of the various parts used in these models.

A full imposition of the punitive duties would whittle down "some 10 percent of roughly 2.6 billion dollars worth" of U.S. auto parts the U.S. suppliers have sold to the five Japanese manufacturers of the 13 models, he said.

Hashimoto suggested he is convinced the World Trade Organization (WTO) will recognize the rationale of Japanese allegations that its market is free of barriers to imports.

"I hope the WTO will act in accordance with its functions sufficiently," he said.

Meanwhile, Finance Minister Masayoshi Takemura hinted at the same panel that the government may compile a second supplementary budget later in fiscal 1995 to make up for a shortfall in the first supplementary budget for rebuilding the quake-hit city of Kobe and surrounding areas.

His comment came as the House of Councillors cleared the first supplementary budget of this fiscal year that called for reconstruction-related spending of 2.73 trillion yen.

"The latest supplementary budget bill should be able to restore (the devastated areas), but my understanding is that much remains to be done to reconstruct (Kobe and its vicinity)," he said.

"We will continue to actively grapple with this task," he said.

Envoy to U.S. on Auto Issue Sanctions List

OW1905021195 Tokyo MAINICHI SHIMBUN in Japanese 17 May 95 Evening Edition p 4

[By Toshiro Hihara]

[FBIS Translated Text] Washington, 16 May — On 16 May, Takakazu Kuriyama, ambassador to the United States, held a news conference to comment on the U.S. announcement on the same day of a tentative list of sanctions against Japan based on Section 301 of the Omnibus Trade Act (on retaliation against unfair trade practices). He said: "As long as the United States takes unilateral measures, it will only be natural for us to take the case to the World Trade Organization (WTO) to resolve the auto issue according to international rules." He indicated that Japan will exert utmost efforts at the WTO deliberations.

With regard to the question of reaching an agreement between Japan and the United States at the OECD ministerial conference or the summit of advanced nations to be held in Canada from 15 June (Halifax Summit), Kuriyama stated: "If the United States changes its demand to append the Japanese car manufacturers' voluntary programs for parts procurement, there will be room for discussion. Right now, I do not think the United States is planning to do that. The scenario is that discussions will be held at the WTO." He stressed that an agreement will depend on the U.S. attitude.

However, Kuriyama added: "The three pillars of Japan-U.S. relations are: security, politics, and economics. Problems in one area will affect the overall relationship." He expressed the view that what happens to the automobile talks will definitely have an impact on future bilateral relations.

U.S. Expert Interviewed on Auto Trade Dispute

OW1905033495 Tokyo KYODO in English 0500 GMT 19 May 95

[By Hiroshi Matsumoto and Kohei Murayama]

[FBIS Transcribed Text] Washington, may 19 KYODO — Japan and the United States are expected to find a solution to their lingering dispute over auto trade talks to avert U.S. sanctions set for a final decision in late June, a U.S. international trade expert said.

In a recent interview with KYODO NEWS SERVICE, Gregory Mastel, senior fellow of the Economic Strategy Institute, said U.S. President Bill Clinton and Japanese Prime Minister Tomiichi Murayama will "demonstrate their leadership" to strike a deal as history of looming sanctions between the two nations has shown.

"The history is that you go up to the deadline or near the deadline and the case is settled," he said, pointing this time to a June 15-17 group of seven summit in Halifax, Canada, or "the period right after the summit."

The World Trade organization (WTO) will also contribute to solving the dispute by clarifying arguments as Tokyo has already filed a complaint to the newly established multilateral trade watchdog, Mastel said.

The following are excerpts of the interview:

[KYODO] Do you expect a breakthrough before the summit?

[Mastel] I think the history of U.S.-Japan trade negotiations would lead one to believe that something will be coming before sanctions are imposed. The Halifax Summit is an obvious chance for both the U.S. President and the Japanese prime minister to demonstrate some leadership.

I also think that if the WTO process proceeds quickly on the schedule ... we already will have had consultations under the WTO for probably two or three weeks by that point. The WTO will be helpful to both sides. There will be some room for both sides to move in directions that they have not been able to do previously.

The history is that you go up to the deadline or near the deadline and the case is settled. The U.S. and Japan have such a large economic relationship and despite all this rhetoric, I think both sides want to preserve it.

They want some changes but they want to preserve the fundamentals but I think they will reach a meeting of the minds.

[KYODO] What is Japan's chance of winning the WTO case?

[Mastel] It is virtually certain.

The odds of the U.S. prevailing on the narrow claim of Japanese regulations are also very high. Some people in the administration say that they are certain to win under the nullification and impairment and some people on the outside say there is no chance of winning.

But I'd say that the Japanese have a strong case on sanctions, and the U.S. has a strong case on automotive parts regulations. I would be surprised if the panel didn't strike both of them down.

The WTO if it is going to be effective it must be aggressive and forward looking. If it is not, it becomes irrelevant.

[KYODO] How will the U.S. Argue at the WTO?

[Mastel] The U.S. will probably frame its argument something like this: Japan has promised to have no tariffs on autos to eliminate a number of other trade barriers on autos, but has allowed, by not enforcing its antimonopoly act, collusion to come up between Japanese auto companies and their suppliers and their dealers that have the effect of blocking out imports, so it makes that promise irrelevant.

I think they will also put some emphasis that Japan has the antimonopoly act on the books so that it has effectively promised that it is not going to happen but has allowed it to happen.

[KYODO] What is your opinion on the thorniest issue of voluntary plans by Japanese automakers to buy foreign parts?

[Mastel] I am in frequent contact with the U.S. negotiators who argue vehemently that the issue of voluntary purchasing plans is not the major issue in negotiations that they believe that there is still a big problem in the aftermarket.

I personally am not in the negotiations so I can't tell if it is true or not but I think it is important to keep in mind. I think both sides are letting out information that benefits their argument.

Personally, in the long run and medium run, things like voluntary purchasing quotas are not the right direction to go. Unfortunately in the short term, it may be that you need to look to some outside measure to see what is happening.

[KYODO] Are there any other ways?

[Mastel] Maybe another approach is to look at the enforcement actions of the Japanese fair trade commission. Maybe prices ... I think prices for a good barometer of how open a market place is.

There are a lot of ways to do that, but you do need something or some set of indicators.

[KYODO] does the U.S. Want numerical targets?

[Mastel] it is hard for me to know. I think the U.S. does want some kind of indicator.

I have actually been told by our negotiators at briefings that they have explicitly not sought purchase requirements but I am not sure who to believe.

Both sides have the incentive to lie to paint the case the way they want it painted ... it is hard to judge.

The Japanese have been very effective in winning world opinions to their side on this argument so it is their interest to try to paint the entire dispute as though it is a dispute over that argument.

[KYODO] How would the dispute be solved?

[Mastel] Rough outline. I think the aftermarket regulations are conceptually very easy to deal with. Politically they might have some difficulties in Japan, but conceptually it is pretty easy ... you just get rid of the things that are a problem.

The dealer issue. That is actually a little stickier. That is the kind of thing that the Japanese Fair Trade Commission can address.

The original equipment which involves the purchasing targets ... is somewhat the stickiest. One thing that helps grease the wheel is that with the yen appreciation at the level it is now, it would be my impression that most Japanese automakers are looking to purchase more imported products anyway, strictly on the basis of price so that may make it a little easier. And not just U.S. interest but Europeans or even Japanese and again maybe the Fair Trade Commission has a role to play there.

'Limit' to Auto Trade Negotiations Critiqued

OW1805150395 Tokyo MAINICHI SHIMBUN
in Japanese 17 May 95 Morning Edition p 11

[Article by Washington correspondent Toshiro Hara; first in a series entitled: "Japan Said 'No.' But...": "The

Big Three Are Prepared; A Holy War; Stick With the Government"]

[FBIS Translated Text] The United States finally announced a list of Japanese products earmarked for sanctions. It was announced as if the United States had lost patience with Japan's adamant stance and it sounded like a threat: "The impact may be felt on the Japan-U.S. relationship itself." What will become of the intentions of the U.S. private sector, which hides behind the U.S. Government, and the "proxy war" waged by the Japanese Government, which is trying to protect domestic makers?

While listening to a speech by U.S. Trade Representative (USTR) Mickey Kantor, who proudly declared that "liberalization of the Japanese auto market will benefit the world," a diplomatic source in the United States muttered to himself: "The U.S. action looks like intervention in civil affairs with the use of force."

Negotiations on autos and auto parts under the Japan-U.S. economic framework talks broke up at the 5 May meeting between Ryutaro Hashimoto, minister of international trade and industry, and USTR Kantor, because the United States tried to make the Japanese Government pledge an expansion of Japanese automakers' voluntary plans for the purchase of foreign auto parts. Japan rejected the demand saying: "The government cannot interfere in something that has to be determined by the private sector." In other words, the U.S. Government is trying to intervene in the affairs of Japanese companies by using force.

To President Clinton, however, the announcement of the list is not forceful intervention in civil affairs but a "holy war," designed to protect the free trade economy and guide the world to prosperity.

"Relations" between the government and private sector in the United States and Japan are quite different. For example, senior executives of the Big Three occupied a room at the hotel where the Hashimoto-Kantor meeting was held in Canada on 3 and 5 May. USTR officials frequently went into the room and reported on the progress of the negotiations. The contents of the sanctions list, which was announced on 16 May, were "prepared by the Big Three," (according to a senior USTR official).

Meanwhile, Japan is heaven for public servants. The private sector "cannot act against government officials" in a society that is hedged with restrictions. A voluntary plan — which was introduced in January 1992, when President Bush came to Japan — was formed by the Japanese Government, which criticizes the United States for its demand designed to intervene in civilian affairs by using force.

The U.S. announcement of the sanctions list and Japan's appeal to the World Trade Organization (WTO) are being reported in the United States as a "trade war." However, many people think that Japan will make a concession. The WASHINGTON POST reported: "Some kind of agreement will be reached in the 30 days prior to the summit." REUTER's News Agency said: "The 30 days will give both countries room to reach a settlement through negotiations." On the contrary, Japan insists on saying that there is no room for compromise. A senior official of the Ministry of International Trade and Industry said: "A compromise would change the current of economic diplomacy."

The negotiations, in which voluntary plans were the focal issue, are becoming a "proxy war" by the Japanese and U.S. Governments, who are fighting for their own auto industrial circles. However, there is a limit to negotiations between the Japanese Government — which maintains its authority by intervening in private sectors matters while criticizing the United States for its demand designed to intervene in civil affairs by using force — and the U.S. Government, which cannot make up its mind about sanctions without the Big Three but considers the negotiations a "holy war."

EU's Position in Auto Trade Dispute Discussed

OW1905024095 Tokyo SANKEI SHIMBUN

in Japanese 16 May 95 Morning Edition p 11

[Article by Toru Igarashi: "Auto Talks Break Down; Is the EU Making Profits Out of the Two Contestants?; It Could Even Form a Joint Battleline With the U.S."]

[FBIS Translated Text] Brussels, 15 May — While Japan and the United States are moving toward a showdown following a breakdown in the automobiles talks, the European Union (EU), which Japan has hoped would support it, is acting rather coolly. The EU could be thinking that it can forget about free trade principles now when it will only benefit if the U.S. measures open up the Japanese market. If Japan makes a wrong choice, the EU may not remain "neutral," and might even become an "enemy of tomorrow" in the international arena called the World Trade Organization (WTO).

On 11 May, the EU made its first official comment on the auto talks breakdown — one day after the U.S. Government announced its plan to file a complaint with the WTO. And the comment was only six-lines long in English. So far, the EU has been critical of the United States' punitive actions based on the Trade Act's Section 301 (retaliatory actions against unfair trade practices), calling them unilateral actions that violate the rules of the GATT or WTO. Every time the U.S. Government initiated punitive actions against

the EU based on the provision, the EU has fought back by calling for activation of a panel (subcommittee for dispute arbitration). A panel to arbitrate U.S.-EU disputes has been activated eight times since 1981 when the GATT's Tokyo Round of talks was held. The EU can be said to have an expertise [in having disputes arbitrated by the panel].

Such having been the circumstance, some Japanese Government officials had high hopes that the EU would be a "reliable friend" in WTO arbitration. Even in the quadripartite trade talks held in Canada recently, Ryutaro Hashimoto, minister of international trade and industry, repeated his request for support to EU Deputy Commissioner Brittan. Japan apparently is in a fierce battle with the United States even in the competition to get the EU on its side.

However, the EU is intentionally avoiding making its position clear. Even the EU comment this time was one that in effect said both sides are guilty, and was summarized by an EU Commission official as meaning: "The U.S. unilateral measures are wrong, but there is also a problem with the Japanese market's laggard liberalization." A commission spokesman declared: "We will support neither side."

The EU's strategy toward Japan changed a lot between the time when the Japan-Europe joint statement was issued and the time when a framework agreement was concluded in 1991. Particularly in the area of trade, the two sides started to cooperate rather than confront each other in finding solutions — with both sides giving scientific studies to impediments for expanded trade and voluntarily going ahead to take the barriers down. The EU knows that to pry open the Japanese market, America's high-handed way is not effective. The EU also appears to have wanted to buy the U.S.-oriented Japan's favor by showing that its methodology is different from the United States'.

But even the EU has recently started to show its irritation with the slower-than-expected tempo of the Japanese market's liberalization. An EU Commission official said: "In the area of automobiles, we are doing better in the Japanese market than the Americans," but added, "however, we cannot say we have achieved satisfactory results."

In other words, this situation means that the EU can change to a "stand of belligerence" against Japan — rather than being "neutral" — at any time. The reason U.S. Undersecretary of Commerce Jeffrey Garten keeps on saying "despite its official position, the EU supports the United States in its heart" is because he is aware of this possibility.

Many people think the reason the U.S. Government decided to preempt Japan in bringing a case before the WTO was because "they think they cannot get their way using the 301 provision, and they want to change the issue to one of attacking the Japanese market's closed nature." However, some people think this U.S. action really is a "well-calculated strategy to bring the EU into a common battleline against Japan" (to quote a source related to diplomacy with the EU). Japan may be confident about winning the battle at the WTO now, but can find itself isolated should it mistake the moves of the United States and Europe.

Murayama Pledges Efforts To Cut Trade Surplus

OW1905035295 Tokyo KYODO in English
0322 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Prime Minister Tomiichi Murayama said Friday [19 May] that Japan will continue trying to slash its trade surplus with the United States.

Murayama told reporters the trade imbalance, a major source of friction between the two nations, is expected to come up for discussions in bilateral negotiations on automobile and auto parts trade at the World Trade Organization.

The prime minister made the observation in connection with a report that the U.S. trade deficit in goods and services in March narrowed a bit further from the previous month but the politically sensitive gap in goods with Japan rebounded sharply for the first time in five years.

Murayama appealed to the U.S. to step up efforts to increase exports to Japan, saying the Japanese government is endeavoring to increase imports from the U.S.

Tokyo To Seek Talks on Aviation Row With U.S.

OW1905033995 Tokyo KYODO in English
0237 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Transport Minister Shizuka Kamei said Friday [19 May] the Japanese Government will seek to resolve through talks with the United States a dispute over a proposed new cargo air route via Tokyo.

Kamei made the remark at a press conference after the regular cabinet meeting, referring to a recent news report that the U.S. is poised to impose punitive measures against Japan over the aviation dispute.

Washington is reportedly considering sanctions because it is increasingly frustrated by Japan's alleged refusal to honor fully its bilateral aviation agreement with the U.S.

In the report, U.S. transportation officials cited a request made by Federal Express Corp. in the early 1990s to add the island of Cebu in the Philippines to its list of cities served from Tokyo.

Kamei said, "It's not rational for Japan to also take a sanction step against the U.S. as a countermeasure. I think we should have talks between officials in charge of the matter."

"That's a kind of negotiation. We should rule out an idea of a punitive step at the starting point of the discussion," Kamei said.

He said authorities directly in charge the matter from Japan and the U.S. hopefully will reach a basic agreement at a transport ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum June 12 and 13.

Official To Take 'Firm' Stand

OW1905121095 Tokyo MAINICHI SHIMBUN
in Japanese 19 May 95 Morning Edition p 9

[FBIS Translated Text] The United States is considering imposition of sanctions against Japan in connection with Federal Express Corporation's new air routes discussed in bilateral aviation talks. Commenting on this at a news conference yesterday, Michihiko Matsuo, administrative vice minister at the Transport Ministry, said: "It is easy to deal with aviation problems. We hope to settle the issue peacefully, but if the United States reduces Japanese airlines' routes, we will also cut theirs." In this way, he clarified his intention to take a firm attitude in aviation talks.

Debate Addresses U.S. Auto Talks, DPRK Issue

OW1805125495

[FBIS Editorial Report] Tokyo FNN Television Network in Japanese on 13 May, during its regularly scheduled "News 2001" program aired at 2230 GMT, carries a live 15-minute panel debate on the "Japan-U.S. auto talks' failure" and the "U.S.-DPRK nuclear reactor talks." FNN news caster Yuji Kuroiwa moderates the debate, and Koichi Kato, Policy Affairs Research Council chairman of the Liberal Democratic Party [LDP], and political columnist Kenichi Takemura take part in the discussions.

At 2238 GMT, Kuroiwa begins the debate by mentioning the rupture in the Japan-U.S. auto talks. Kuroiwa asks Kato if there is any possibility that the failure in the talks will have an adverse influence on the overall relationship between Japan and the United States.

Kato says: "If there are any mistakes in handling this issue, there is such a possibility. However, I do not

think the whole relationship between the two countries will be broken up just because of a failure in the auto talks, nor should we allow it to happen. We should not break up our relationship. However, since there are differences in views between our two countries, the issue will be turned over to an international trade court, which was known as GATT but is now known as the WTO. The court known as the WTO — well, which is a sort of court — is a new institution that has not yet become full-fledged. Thus, we are still a little concerned about its functions. The WTO concept was created as a framework for settling disputes in a cool manner. And I think it is a good idea."

Kuroiwa points out that it is rather unusual to appeal the issue to the WTO, and Kato states: "Yes, it is unusual. However, the United States and European nations used to regard such appeals not as unusual but as common cases, and on many occasions, they used to carry on such negotiations in a cool manner."

Pointing out that on many occasions in the past, the deadlocks in the talks were broken through "wise" ideas, Kuroiwa cites the example of holding talks at a sushi-bar, when talks between then Prime Minister Miyazawa and President Clinton became almost deadlocked two years ago. After the dinner talks, Kuroiwa continues, the talks were resumed and both sides were able to view the same issue from different viewpoints. While noting the ceaseless efforts made by both nations to keep the dialogue going, Kuroiwa states his doubt as to whether the two nations have really made sufficient efforts this time. Trying to eliminate Kuroiwa's doubts, Kato says: "Well, I am not quite sure. I think Hashimoto, international trade and industry minister, did a good job. Well, talks have been held on the basis of different logic. The issue on how many U.S.-made parts Toyota and Nissan will buy should be decided by private companies. Both nations have agreed on this point."

"Nevertheless, they want to discuss the procurement issue between the governments. It is rather unusual, is it not? It is rather illogical to discuss this issue between governments while agreeing that the issue does not concern the governments. As a result, the issue will now be brought with the court for a proper settlement. Even if it is taken to the court, there still is room for reconciliation. And since the United States has agreed to bring it up with the court, I think it is desirable. I think we are now on the right track."

In replying to Kuroiwa's question as to whether the "objective criteria," which was first mentioned during Miyazawa-Clinton talks, has continued to affect the talks, Kato says: "Yes, more or less." And he goes on to give a brief explanation as to why and how the

United States has come to its demand for setting up "numerical targets" in the auto and auto part talks, which began under the Bush administration and carried on by the Clinton administration. Kato then adds: "I think it was a mistake to be trapped by this idea of 'numerical targets'."

At this point, political commentator Takemura says: "During former Prime Minister Miyazawa's time, Japan exported over 3 million units of cars to the United States. But now, only about 1.6 million units are being exported, almost half of the original figure. In other words, since a huge number was exported then, Japan could afford to reduce the quantity a little bit. However, since Japan is now exporting less than half of that quantity, we have been carrying on talks while maintaining that we cannot afford to make any further compromises." He then says: "The WTO has been mentioned as an international court. However, unlike any national court, it is a court that is not capable of issuing verdicts. Although it is called a court, the WTO will normally suggest out-of-court talks because it is incapable of issuing verdicts. Normally, either trials are held or out-of-court talks are suggested. Japan and the United States have tried to hold talks outside the court, but in vain. In strict terms, the United States decides to impose sanctions against Japan based on the Super 301 provision. I will say it is tantamount to holding a lynching while out-of-court talks are still in progress. This is what a government official told me, but he also said it would be undesirable to make such remarks in public because the word lynch is something very fearful." In conclusion, Takemura says that since the United States seems to have become excited and emotional during the talks by mentioning possible sanctions, Japan should not hesitate from stating its true feelings. Japan should say that it has become inevitable to present the issue to the WTO for settlement, and he says that he favors those who advocate that appeal to the WTO as being "something that just cannot be helped."

When Kuroiwa asks if the government has any plans to take retaliatory measures such as increasing tariffs on U.S. products, Kato says: "I do not think it is that easy for the United States to implement sanctions. For instance, once it is decided that no Japanese cars, including compact cars, should be imported, the American consumers who want to buy Japanese cars will be in trouble. And if a decision is made on not importing important machine tools, their auto industry will have troubles. At any rate, there will be limits. Therefore, I think we will take due measures to deal with this issue. There will also be limits to our measures. However, it has become necessary for each of our two

countries not to act impulsively in playing this trade war game."

At 2245 GMT, Kuroiwa switches to the U.S.-DPRK nuclear reactor conversion talks. Concerning the future prospects for the talks, Kato says: "Basically, I have maintained for the past one and half years that an accord will somehow be worked out even though there may still be many turns and twists. Generally speaking, things are moving in this direction. However, I myself am rather concerned about whether things will turn out all right this time. However, since the DPRK needs to maintain its relations with the United States and Japan as well, I believe the talks will turn out all right in the end. The ROK has become irritated because it feels that the DPRK is trying to drive the ROK into a corner by moving to maintain its relations with Japan and the United States. There are good reasons for the ROK to be irritated. [words indistinct] Therefore, I feel that eventually, some accord will be worked out on the nuclear issue. However, the DPRK may try to win favorable terms by carrying on talks up until the last moment. It is known as a game of chicken. Or, it is known as brinkmanship policy. However, the DPRK may commit a miscalculation at the last moment. When that happens, and if the United States runs out of patience, the situation will be very dangerous.

"Something happened the other day. As you know, it was reported that the DPRK would pull out the old-type graphite rods. One evening, it was reported that the decision would be made, and we watched the development with extreme tension. But eventually the DPRK did not resort to the hard-line measure. I think talks will be held at various levels in the future, but I believe the issue will somehow be settled. The odds are probably 60 to 40. It is considerably difficult, though."

At 2248 GMT, Kuroiwa mentions the ruling parties' recent visit to the DPRK on resuming normalization talks. He asks why the delegation had to pay a visit at the moment when Japan, the United States, and the ROK are required to act in harmony. He wonders if the DPRK is attempting to sever the ties between the three countries, and if Japan has not played into its hands. In response, Kato says: "It is quite natural that the DPRK has constantly wanted to maintain contacts with Japan because of its intention to sever the ties among our three nations. However, it would be desirable for the DPRK to make more contacts with the international community because many troubles have been linked to the DPRK, such as its alleged possession of nuclear weapons. The PRC, for example, has an enormous amount of nuclear weapons. However, in comparison, we feel at ease with the PRC because we frequently exchange dialogue with that country. If a stranger about

whom you know nothing is said to have a weapon such as a pistol, you will be on guard, will you not? If you, Mr. Kuroiwa, have a weapon, whatever weapon it may be, I would feel at ease because you are a good friend of mine. Therefore, it is important to have communications. And there is another point. It has been reported that in connection with the light-water reactor conversion, Japan may provide the DPRK with funds amounting to about 100 billion yen. In such a case, if the Japanese Government fails to have any talks with the recipient, the DPRK Government, it will not convince the Diet nor will it win understanding from the general public. That is the reason why we wanted to set up a communications channel. And basically, I think we have achieved this objective."

When Kuroiwa asks what measures Japan will take in case the United Nations decides to impose sanctions against the DPRK if the talks ends in failure, Kato says: "Politicians have carried on debates on this issue. Right now, the general public is concerned with the sarin incident involving the Aum Shinrikyo sect. However, we should always deal with such issues as Japan-U.S. relations, the DPRK issue, and economic measures. In dealing with these mid- and long-term issues, the defense officials have held substantial discussions on what stance Japan will take if the DPRK situation turns into a critical point."

He then adds: "When I recently visited the United States during Golden Week [Japanese national holiday week], I had talks with some 10 U.S. officials concerned with the defense policy on what Japan would do if the United Nations decides to impose sanctions on the DPRK. I told them Japan will take the same action. However, if only Japan, the United States, and the ROK decide to take considerably hard-line actions, the LDP will give it positive consideration. However, the ruling coalition will probably fall into a serious crisis. Concerning this point, I was told that they understand it very well."

At 2253 GMT, the topic changes to the Aum Shinrikyo issue.

MITI Surprised by Kodak's Unexpected Complaints

*OW1905045895 Tokyo KYODO in English
0351 GMT 19 May 95*

[FBIS Transcribed Text] Tokyo, May 19 KYODO — The Ministry of International Trade and Industry (MITI) is surprised at news that Eastman Kodak Co. of the United States is seeking U.S. Government intervention to get wider access to the Japanese market, ministry officials said Friday [19 May].

An official at the ministry's Chemical Products Division of Basic Industries Bureau said the move was totally unexpected as the ministry has not heard any complaints beforehand from the U.S. film maker.

Another ministry official said the move may be intended to put more pressure on Japan in bilateral negotiations on the automotive trade, pointing out that a former senior official of the U.S. Trade Representative Office has recently become a vice president of Kodak.

Kodak has filed a petition with the U.S. Government that its access to the Japanese market has been limited due to anticompetitive business practices, requesting U.S. authorities to conduct investigations under Section 301 of the 1974 Trade Act.

Iranian Minister on Russian Reactor, Yen Loan

*OW1805133695 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 18 May 95 Morning Edition p 8*

[FBIS Translated Text] Visiting Iranian Deputy Foreign Minister Ala'ddin Boroujerdi (in charge of Asian and Oceanic affairs) held a news conference in Tokyo on 17 May. Touching on the issue of Iran's contract with Russia for the supply of nuclear reactors, he said: "No changes have been made to the contract."

He added that "the contract includes no items at all that may lead to the development of weapons." However, he avoided mentioning as to whether the item on Russia's supply of a gas centrifuge equipment is included in the contract. At the recent U.S.-Russia summit talks, Russian President Yeltsin stated that sale of this equipment has been suspended.

On the U.S. decision on imposing complete ban on exports to Iran, the deputy foreign minister said: "It will have little impact on the Iranian economy." Noting that Iran has been exporting the largest amount of its oil to the United States but that it is losing its dependence on the United States in trade, he added: "We have already received inquiries from oil companies of other countries."

On the resumption of the yen-based loans, Deputy Foreign Minister Boroujerdi said: "Since the dam project (which is supposed to receive loans) is under way now, it will be difficult to suspend the project." In this way, he disclosed that Iran had requested the Japanese Government to resume the loans as soon as possible.

Tokyo Opens Training Center for Kyrgyz People

*OW1605074195 Tokyo KYODO in English
0658 GMT 16 May 95*

[FBIS Transcribed Text] Tokyo, May 16 KYODO — Japan will open a training center in Kyrgyzstan on

Thursday at which Kyrgyz people can study economics, trade and business to help the former Soviet republic's economic reforms, Foreign Ministry officials said Tuesday.

Kyrgyzstan President Askar Akayev and Japanese Ambassador to Kyrgyzstan Koji Watanabe are scheduled to attend the opening ceremony of the Japan center in Kyrgyzstan on Thursday in Bishkek, the officials said.

The center will offer lectures on such themes as Japanese-style business, privatization of state-run enterprises, finance and banking as well as on the Japanese language, they said. It is equipped with lecture rooms, computer training rooms, language laboratories and a library. Similar Japan centers have already been opened in Moscow and Khavarovsk.

Group Returns From Visa-Free Visit to Russia

OW1505102195 Tokyo KYODO in English
0957 GMT 15 May 95

[FBIS Transcribed Text] Nemuro, Japan, may 15 KYODO — A Japanese group returned to Hanasaki port on Monday after making the first visa-free visit this year to one of the four Russian-held islands off Hokkaido, group members said.

On Shikotan island on Sunday, the group called at a kindergarten, public schools, Japanese-Russian cemeteries and other facilities in promoting exchanges with local citizens.

Two Japanese legislators in charge of issues relating to what Japan calls the "Northern Territories" also took part in the trip for the first time, the members said.

The group also surveyed damage to the island caused by an earthquake on Oct. 14, 1994, which hit Russia's far eastern region, claiming 12 lives and leaving more than 1,000 people homeless.

The trip was one of a series of visa-free visits between Japanese living mainly in Hokkaido, Japan's northernmost main island, and Russian residents of the islands under an exchange program launched in 1992.

Soviet troops captured Shikotan, Kunashiri and Etorofu islands and the Habomai Group of islets at the end of World War II. Japan continues to claim sovereignty over the islands, an issue which to this day has prevented Tokyo and Moscow from concluding a peace treaty.

Russian officials on the island expressed hope that Japan will extend economic and technological support to help rebuild the fishery processing factories that collapsed in the quake.

The quake suspended the operations of two of the four fishery processing factories on Shikotan island,

resulting in an exodus of employees, the islanders said. The Japanese visitors quoted the islanders as complaining about Moscow's indifference regarding the needed reconstruction of damaged houses and public facilities.

Following the collapse of public school buildings, the number of students fell from 460 to 150, while teachers and school officials dropped from 56 to 18, the islanders said.

Diet members Muneo Suzuki and Kazutaka Tsuboi, who participated in the tour, told a press conference in Nemuro that speedy cooperation for the rebuilding of the quake-damaged infrastructure on the islands is vital to Japan's attempts to solve its differences with Russia over the islands.

"It's a matter of timing," said Suzuki, a Liberal Democratic Party member of the House of Representatives. "Surely responding in such a way as to take people by surprise, right now in the midst of their problems, would bring progress in the territorial issue," he added.

Tsuboi, an LDP member of the House of Councillors, said their presence as Diet members in the group had ensured that the issue of the return of the islands to Japan was raised from the start at meetings with Russian islanders.

Malaysia's Mahathir Pledges Cooperation on DPRK

OW1905054295 Tokyo KYODO in English
0515 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Malaysian Prime Minister Mahathir Mohamad pledged Friday [19 May] to continue to support efforts to lure North Korea out of its self-imposed isolation.

Mahathir told former Japanese Prime Minister Yasuhiro Nakasone and former Foreign Minister Michio Watanabe in a meeting in Tokyo that Malaysia will continue its traditional policy toward North Korea and hopes to cooperate further, Japanese officials said.

He pointed to Malaysia's hosting an upcoming new round of nuclear talks between the United States and North Korea in the capital of Kuala Lumpur, the officials said.

Nakasone was quoted as telling Mahathir that he hopes Malaysia, which maintains diplomatic relations with both North and South Korea, "will cooperate to get North Korea accustomed to the international community."

Murayama Asks Malaysia's Cooperation on APEC
OW1705065295 Tokyo KYODO in English
0618 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Prime Minister Tomiichi Murayama called Wednesday [17 May] on Malaysian Prime Minister Mahathir bin Mohamed to cooperate in successfully holding the Asia-Pacific Economic Cooperation (APEC) forum in November, a Foreign Ministry official said.

Mahathir did not make any specific reply to Murayama's request as their 40-minute talks ran out of time, the official said.

But the Malaysian prime minister was quoted as telling Murayama that he hopes they will meet again "sometime soon."

Mahathir, here on a private trip to attend a symposium, also said he wants to make a state visit to Japan sometime next year.

He postponed a visit initially proposed for September due to Malaysia's political schedule.

The official said Murayama and Mahathir did not discuss the East Asian Economic Caucus (EAEC) during their talks.

Malaysia has been calling on Japan to participate in the EAEC plan, originally floated by Mahathir in 1990.

But Tokyo has remained noncommittal to the plan mainly due to opposition by the United States, which argues that the EAEC could become an economic bloc excluding the U.S.

The EAEC intends to include the six members of the Association of Southeast Asian Nations, along with China, Hong Kong, Japan and South Korea.

Also in the talks, the two prime ministers agreed to encourage China's involvement in various international affairs, the official said.

But they voiced concern over China's nuclear testing Monday, they said.

Malaysia's Premier Mahathir on APEC Forum

Undecided on Attending APEC

BK1905103195 Kuala Lumpur THE STAR in English
19 May 95 p 2

[FBIS Transcribed Text] Tokyo — Prime Minister Datuk Sri Dr. Mahathir Mohamed said he has not yet decided whether to attend the Asia-Pacific Economic Co-operation (Apec) summit in Osaka in November.

He said he would only attend if assurances were given that any declaration made there would be based on joint discussions, and not by one dominant party.

"If we cannot draft the declaration jointly, I won't go," he told Malaysian students at the Malaysian Embassy here.

Speaking to journalists later, he said Japanese Prime Minister Tomiichi Murayama had urged him to attend the summit.

He said Murayama had also invited him to visit Japan next year.

Dr Mahathir, who also held discussions with several Liberal Democratic Party leaders, said the response for the East Asia Economic Caucus (EAEC) from the Japanese was becoming more encouraging.

On the United States-North Korea nuclear talks, Dr Mahathir said Malaysia will do whatever it can to resolve the issue.

"We welcome the decision by both parties to hold the talks in Kuala Lumpur," he said.

On the restructuring of the existing yen loans, Dr Mahathir said he had explained to Murayama Malaysia's logic for the proposal.

He said Malaysia stood to lose either way, with the appreciation of the yen market and the depreciation of the dollar against the ringgit.

Dr Mahathir said the yen was loaned to Malaysia at very low interest rates, even at one per cent.

"They lend us the yen at 2.9 per cent, but when the value of the yen doubles, we have to pay at 5.8 per cent.

"We have to pay double the loan amount in terms of ringgit," he said.

Participation Depends on Tokyo

OW1805122695 Tokyo KYODO in English
1030 GMT 18 May 95

[FBIS Transcribed Text] Tokyo, May 18 KYODO — Malaysian Prime Minister Mahathir Mohamed said Thursday [18 May] his attendance at a summit of Asia-Pacific leaders in Japan later this year depends on whether Tokyo creates suitable conditions for such a trip.

Mahathir made the remarks at a meeting with Yoshiro Mori, secretary general of ruling coalition member the Liberal Democratic Party (LDP), and other LDP executives, who urged Mahathir to attend the informal summit

of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka on Nov. 19.

To ensure his attending the conference, it is necessary to make preparations and create a relevant environment, Mahathir was quoted as saying.

Mori, nonetheless, repeated the request, arguing that "Osaka businesses, many of which are investing in Malaysia, are also hoping for your presence."

Mahathir boycotted the first informal summit hosted by U.S. President Bill Clinton in Seattle in 1993 but attended the second summit in Bogor last year, hosted by Indonesian President Suharto.

Mahathir used the meeting to promote his concept of an East Asian Economic Caucus (EAEC), which in contrast to APEC would not include the United States and other non-Asian powers.

The U.S. approves of the European Union and has created the North American Free Trade Agreement, he said, pointing to other regions of closer economic cooperation.

The EAEC is widely perceived as an attempt by Mahathir, an outspoken critic of the West, to curb U.S. influence in the region.

Japan has distanced itself from the EAEC mainly in deference to the U.S., which opposes the grouping.

Mahathir arrived in Japan on Monday on a private six-day trip to attend a symposium. He met Wednesday with Prime Minister Tomiichi Murayama, who also urged his cooperation in the APEC summit but did not broach the touchy EAEC issue.

Too Few Leaders Make Decisions

OW1905134495 Tokyo KYODO in English
1248 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Malaysian Prime Minister Mahathir Mohamed on Friday [19 May] implicitly criticized the management of the Asia-Pacific Economic Cooperation (APEC) forum led by the United States.

Addressing a lecture meeting in Tokyo, Mahathir said decisions are made by a small number of people in APEC which is dominated by a giant country.

Mahathir expressed his opposition to a fixed schedule in APEC's aim to achieve regional trade liberalization by 2020, the steps for which are to be presented at an APEC forum meeting in Osaka in November, saying a breathing period is necessary.

Mahathir renewed his call for Japan to participate in the East Asia Economic Caucus (EAEC), whose creation

he has proposed. But he brushed aside Australia's participation in the EAEC in the near future, saying Australia should first adopt more cultural aspects and values of Asia before joining the caucus.

In a separate meeting with Japanese business leaders, Mahathir said Japanese companies operating in Malaysia have fewer local people in management than do U.S. companies.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), replied that the influential business group will further promote internationalization of Japanese companies, Keidanren officials said.

Singapore's Jayakumar on Osaka APEC Forum

OW1505154095 Tokyo KYODO in English
1531 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Singaporean Foreign Minister S. Jayakumar called Monday [15 May] for Japanese initiative in making progress toward transforming the Asia-Pacific region into a free trade zone by 2020 when the Asia-Pacific economic cooperation (APEC) forum opens in Osaka in November, a Foreign Ministry official said.

Jayakumar, visiting Japan from Sunday through Wednesday, made the call in a two-hour meeting with Foreign Minister Yohei Kono over dinner at the Ikura Guesthouse, the official said.

Jayakumar told Kono it is important for the APEC meeting in Osaka to make great progress toward implementing the contents of the Bogor Declaration, which calls for a long-term goal of free and open trade and investment with a deadline of 2010 for developed economies and 2020 for developing economies, he said.

Japan will host the upcoming meet from Nov. 16 to 19 in Osaka.

Kono told Jayakumar that the Bogor Declaration provided a good foundation and that Japan's task is to help the declaration materialize on a midterm to long-term basis, the official said.

Turning to the planned meeting between the Association of Southeast Asian Nations (ASEAN) and the European Union (EU) in 1996, Jayakumar told Kono that although immediate solutions to various problems cannot be expected, the talks in Thailand will be "historic" as it will bring together the leaders of both regions.

He also expressed hope that the meeting will take up broad issues for discussions, including economic, political and security affairs, the official said.

Kono said it is important for the meeting to be "transparent" and asked for prior consultation on membership and the timing of the meeting.

Also during the talks, the Japanese and Singaporean foreign ministers agreed on the need for a peaceful solution to the disputes over the Spratly Islands in the South China Sea, the officials said.

The Spratlys, a group of potentially oil-rich islands, are claimed wholly or in part by China, Vietnam, Taiwan, the Philippines, Malaysia and Brunei.

Osaka APEC Group To Slash Forum Outlays

*OW1805091595 Tokyo KYODO in English
0851 GMT 18 May 95*

[FBIS Transcribed Text] Osaka, May 18 KYODO — An organization preparing for the November conference of the Asia-Pacific Economic Cooperation Forum in Osaka plans to slash estimated outlays for the session by about 300 million yen to 1.5 billion yen, organization officials said Thursday [18 May].

The group was organized by Osaka prefectural and municipal offices and economic organizations in February to make preparations for the conference, including publicity activities.

The officials said the group plans to cut expenditure because the business community showed reluctance to comply with its request for a contribution totaling about 600 million yen.

The business community's contribution will be lowered to about 500 million yen, they said.

The group will be reorganized into a nonprofit organization in early June to enable member enterprises to write off their monetary contributions as losses, they said.

Mahathir, Murayama Discuss Ties With PRC

*OW1905134395 Tokyo MAINICHI SHIMBUN
in Japanese 18 May 95 Morning Edition p 2*

[FBIS Translated Text] Prime Minister Tomiichi Murayama held 40-minute talks with Malaysian counterpart Mahathir Mohamed at the Diet building on 17 May. While expressing regret over China's underground nuclear test, Mahathir said: "The role of China is significant. I would like to build friendly relations with this nation, not considering it as potential military threat."

Murayama basically agreed with Mahathir. He said: "In the summit held during my visit to China, I heard the Chinese leader say 'China will not become a military power.' It is important for various nations to create cooperative relations with China through economic and other kinds of exchanges."

Murayama asked Mahathir to attend the Asia Pacific Economic Cooperation forum to be held in Osaka. But the Malaysian premier did not make a clear-cut reply.

Measures Against PRC Nuclear Test Studied

*OW1805124795 Tokyo KYODO in English
1218 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 18 KYODO — The Japanese Government has begun studying measures, including suspension of grant-in-aid, to express its displeasure over China's nuclear test, government sources said Thursday [18 May].

But a senior Foreign Ministry official denied a report that Japan will announce the measure later in the day.

"No decision has been made yet on Japan's actions in the wake of the nuclear test," the senior ministry official said.

Japan is considering suspending the grants instead of official yen loans because Tokyo cannot break its pledge on the loans, the official said.

Japan granted China a total of 7.8 billion yen in fiscal 1994 for projects in the medical, educational and humanitarian fields.

No grants have been extended thus far this fiscal year, which began last month.

Since 1979, Japan has provided China with yen loans worth 1.55 trillion yen in three installments.

The two countries agreed last December on the fourth installment totaling 580 billion yen for the fiscal 1996-98 period.

Tokyo took into account guidelines concerning official development assistance (ODA) when it decided on the amount of aid and loans, the official said.

Japan has shown particularly strong displeasure over China's underground nuclear test Monday since it came shortly after a decision to extend indefinitely the Nuclear Nonproliferation Treaty (NPT) and a visit by Prime Minister Tomiichi Murayama to China.

Tokyo has repeatedly called on Beijing to halt the experiments.

It has also hinted that such acts could affect aid policy toward China in light of guidelines on extending ODA, which require Tokyo to take into account the military trends in the recipient nation.

"We shouldn't overreact," the official said. "But personally, I don't think it is right to pretend like nothing happened."

Meanwhile, Foreign Minister Yohei Kono told the House of Representatives Budget Committee that Japan has asked the four nuclear states of Britain, France, Russia and the United States to urge China, the fifth nuclear power, to stop conducting the tests.

Japan made the request through diplomatic channels, he said.

Tokyo Seeks Halt to Testing

OW1905033295 Tokyo KYODO in English
0212 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Japan will keep pressing China to halt nuclear testing, a top government spokesman said Friday [19 May].

"Based on the principle of sustained development of Sino-Japanese ties, we will strenuously work to bar China from conducting a nuclear test again," Chief Cabinet Secretary Kozo Igarashi told a news conference.

While renewing his deep disappointment at China's nuclear test earlier this week, Igarashi sounded an ambiguous note over a possible reduction in Japan's grant-in-aid to Beijing.

He said he and Foreign Minister Yohei Kono agreed Friday morning that the matter of Tokyo's economic cooperation to Beijing should be considered within the framework of overall bilateral ties.

Speaking at a separate news conference, Kono denied he has instructed officials at his ministry to consider a cut in grant-in-aid to China.

Tokyo has taken a cautious stance over a possible suspension of its official development assistance (ODA) to Beijing.

Its rules on extending ODA call for taking into account recipient nations' military spending, possession of weapons of mass destruction and arms exports.

Despite Japan's repeated protests, China conducted a nuclear test on Monday as the first of five trials that China is expected to carry out this year. It was the first Chinese nuclear experiment since last October.

Daily Views Jiang's Corruption Campaign Motives

OW1805133895 Tokyo YOMIURI SHIMBUN
in Japanese 15 May 95 Morning Edition p 5

[By Toshiaki Arai]

[FBIS Translated Text] Beijing, 14 May — An informed source disclosed that in the PRC, where Deng Xiaoping, the elder statesman, is approaching his death, the relations between Jiang Zemin, CPC Central Committee general secretary, and the military have become increas-

ingly delicate. Jiang is now aiming at seizing power by taking measures to prosecute corruption. However, regarding this anti-corruption struggle, the military has decided to take a "wait-and-see stance," and has avoided expressing any clear-cut stance.

As a result of the central leadership's prosecution of corruption, Beijing's top leader Chen Xitong, former secretary of the Beijing municipal party committee, was ousted from his post. However, no one believes it was just another exposure of corruption. It is generally viewed as a power struggle measure by Jiang to consolidate his position as the supreme leader.

According to the same source, the major reason why the military has not clearly stated its "support for Jiang" during this campaign to prosecute corruption is because it still remains uncertain as to who will win this power struggle in the end.

The Jiang leadership can be divided into the following three groups: "the Shanghai group" consisting of such members as Jiang, and Vice Premier Zhu Rongji; a group led by Li Peng, who has a substantially strong foundation of power in the State Council (equivalent to the central government); and the group led by Qiao Shi, Standing Committee chairman of the National People's Congress (NPC, which is equivalent to the Diet), who is known for his considerably strong reformist color. The source indicates that the "Shanghai group" is going to team up with the Qiao group to form a majority group.

The military has decided to take a "wait-and-see" position because of its very complicated internal situation. Being divided into several "factions," the military itself is not united. Jiang became chairman of the CPC Central Military Commission, the supreme military position, in the fall of 1989. And during the past five and half years, Jiang has established a certain foundation for his support within the military. Nonetheless, his seizure of the military power is still far from complete.

Meanwhile, Yang Shangkun, a senior leader and former first vice chairman of the CPC Central Military Commission, was deprived of real power in the military during the party convention held in the fall of 1992. And yet, he still seems to retain his influence over the military. The same source disclosed that tens of senior military leaders paid him courtesy calls to express greetings during his stay in Guangdong during the Spring Festival (lunar New Year) holidays this year.

Moreover, the group linked to former National Defense Minister Zhang Aiping, who opposed the government's armed suppression during the 1989 Tiananmen incident, is still active. Therefore, Jiang must be concerned with the military's moves.

Casio To Open Joint Venture in PRC in Jun

OW1705085995 Tokyo KYODO in English
0718 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Casio Computer Co. said Wednesday [17 May] it has established a joint venture in Guangdong Province, southern China with two other firms to start manufacturing and marketing scientific calculators and electronic diaries from June.

The new company, called Casio Electronics (Zhongshan) Co., is capitalized at 4 million U.S. dollars. Casio holds a 70 percent equity share, while Hong Kong-based Onflo Components Ltd. holds 25 percent and 5 percent is held by China's Xinlong Economic Development Industrial Co.

Casio said the new company will make competitively priced export-oriented products which it aims to sell on the Chinese market.

As a first step, the new venture will start in June producing scientific calculators and plans to begin manufacturing by the end of March 1996 electronic diaries to meet local demand, officials of Casio said.

Casio plans to produce 2.3 million units in the initial fiscal year and six million in the following year, they said.

Kono Hints at Interest Cut on Yen Loans

OW1905080995 Tokyo KYODO in English
0801 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Foreign Minister Yohei Kono said Friday [19 May] the government is considering cutting interest rates on yen loans as the recent steep appreciation of the Japanese currency has increased interest payments by borrower countries.

"Yen loans should be made to be welcomed" by developing countries, Kono told a budget committee session of the House of Councillors.

Low-interest yen loans are the core of Japan's official development assistance to Third World countries.

Interest rates on yen loans were lowered by an average 0.1 percentage point in fiscal 1991.

EIBJ To Ease Regulations on Export Loans

OW1705105395 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 16 May 95 Morning Edition p 1

[FBIS Translated Text] The Export-Import Bank of Japan [EIBJ] will largely ease its own regulations on the management of export finance used to financially sup-

port exports of plants and other equipment. The EIBJ has decided to do so at the request of Japanese enterprises, which are suffering from a weakened international competitiveness following the drastically appreciated yen. The EIBJ will abolish the "30 percent rule" that sets the ratio of the loan amount for domestically supplied materials and services to the total amount of orders received at 30 percent. Trading firms and engineering companies are able to keep themselves competitive by boosting their purchase of materials from abroad; machinery makers are being forced to further streamline their operations and relocate their production offshore.

The "30 percent rule" that is to be abolished, is based on a provision of the Law on the Export-Import Bank of Japan, which provides for promoting the exports of Japanese products and technologies. In fact, the "30 percent rule" is aimed at using Japanese products and services. The EIBJ can change or abolish the rule in accordance with its regulations on the management of export finance, and does not need to consult with ministries and agencies concerned about the change. The EIBJ has already put trading firms and other companies on notice that it will relax the regulations. The EIBJ foresees that more than 20 percent of orders for Japanese firms to be received through on-going business talks will use less than 30 percent of Japanese products and services. The EIBJ expects that the first export loans following relaxation of the regulations will be provided in the latter half of this year.

As one of the measures to cope with the drastically appreciated yen, trading firms and engineering companies are expanding their purchase of materials from abroad. A series of business talks on the export of petrochemical plants is being held on condition that at least 30 percent of Japanese products and services are used. The EIBJ will relax the regulations for the first time since November 1987.

Banks Hold Y10 Trillion Worth of Reformed Loans

OW1705065995 Tokyo KYODO in English
0525 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Finance Minister Masayoshi Takemura said Wednesday [17 May] that 21 Japanese banks currently hold some 10 trillion yen worth of restructured loans whose interest payments have been eased or waived.

The 21 banks comprise 11 major commercial banks, known as city banks, three long-term credit banks and seven trust banks.

Takemura told the lower house's Budget Committee that the figure is based on a recent survey of such banks.

Regarding the question of using public funds to help housing-loan firms burdened with large amounts of bad loans, Takemura noted sharp criticism of proposals to use 30 billion yen in public funds in order to bail out two failed credit unions in Tokyo.

Takemura said such criticism was an "important lesson" and the possibility of using public funds should be considered from a broader perspective.

MOF's Investment Spending for FY96 Discussed

*OW1905123095 Tokyo KYODO in English
1156 GMT 19 May 95*

[FBIS Transcribed Text] Tokyo, May 19 KYODO — The Finance Ministry [MOF] is considering keeping investment spending flat and cutting operating expenses by more than 10 percent as it begins work on setting the ceiling on fiscal 1996 budget allocation requests from government ministries and agencies, ministry sources said Friday [19 May].

The ministry started preparations to hammer out the ceiling on requests for the fiscal 1996 budget, starting next April 1, under increasingly severe financial conditions, the sources said.

The ministry will set the ceiling after the July 23 election of the House of Councillors, and the ministries and agencies will submit their budget requests to the Finance Ministry by the end of August, they said.

The ministry aims to strictly curtail expenditures since the government plans to issue additional deficit-covering bonds for reconstruction in the Kobe area, hit by the Jan. 17 great Hanshin earthquake, and for measures to combat the yen's appreciation, they said.

Tax revenues are not likely to sharply increase given the nation's slow pace of economic recovery, they said.

Some members of the ruling coalition, however, are calling for continued financial support to stimulate domestic demand in a bid for full-scale recovery, they said.

In addition, some are seeking a special budget allocation for promotion of scientific technology, they said.

Operating costs, such as office expenses, at each ministry and agency have been cut by 10 percent from the previous year's initial budget for 12 years in a row.

However, due to deteriorating fiscal conditions, the ministry aims to trim these costs even more, the sources aid.

In the ceiling for fiscal 1995 budget requests, investment outlays were allowed to grow by 5 percent from the

previous year's initial budget to help prop up the economy.

But for the fiscal 1996 budget, the ministry will seek zero growth in such spending, for the first time in three years, the sources said.

In the fiscal 1995 budget, the ministry included 300 billion yen in special allocations for policy-priority public investment to expedite reviews of budget shares for public investment projects.

The ministry is likely to consider whether to continue these special allocations.

It is also likely to debate whether to set aside additional portions for a scientific technology law now under consideration by the ruling coalition party and for improvement of the nation's disaster management system, they said.

MITI 'White Paper' Calls for Fast Reform

*OW1905004895 Tokyo KYODO in English
2445 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Japan must quickly reform its economy and industry or be left behind in the fast-changing international economic structure, the trade ministry said Friday [19 May].

Government regulations and business practices that distort market mechanisms keep Japanese costs high and prices out of line with the rest of the world, where economic integration is making national borders less relevant to business decisions, the Ministry of International Trade and Industry (MITI) said in its annual trade "white paper."

"It is clear that economic structural reform is necessary and that Japan doesn't have much time to realize this reform" to avoid "huge repercussions" in Japan's economy, society and employment if the nation fails to catch the global trends, it says.

As companies rush to expand production overseas to flee the high yen, Japan must correct market distortions, deregulate, promote venture capital and strengthen its competitiveness to avoid a "hollowing out" of its industrial structure, the paper says.

Although light on specific recommendations amid the 317 pages of the main body of the MITI report, it says that business practices particularly in the basic materials industry keep domestic prices higher than those overseas, citing demands for "excessive quality, product types and service."

Service prices keep consumer prices high, the report says, with charts showing that wholesale prices slipped 3.5% from 1990 through 1994 while consumer prices rose 7.2%.

The MITI paper notes that Japan had the biggest gap between exchange rates and the purchasing power that should be associated with them of any nation in the Organization for Economic Cooperation and Development, according to 1993 figures.

The sluggishness of domestic prices in responding to the soaring yen, which should push them down, shows areas "where market mechanisms do not work well and, thus, have the danger of weakening to a large degree Japan's competitiveness as an industrial location," it says.

Japanese managers are facing pressure to improve their competitiveness by streamlining or look to overseas markets, it says, citing the cases of small transportation and electronics machinery subcontractors in Tochigi and Gunma Prefectures north of Tokyo that developed international businesses.

The report calls for deregulation allowing Japan to emulate the U.S. economic rebound since the late 1980s, for which it cites the ability of private investors to support high-risk ventures that became economy-leaders.

In particular, it compares America's NASDAQ over-the-counter stock market, which a MITI official noted spawned high-tech giants Microsoft and Intel, to the much less developed Japanese market.

Not only was the total capital of NASDAQ market sectors some two to nine times that of their Japanese counterparts, according to 1993 figures, the official compared the 92 trillion yen worth of U.S. OTC bank stocks to the Japanese OTC's 2 trillion yen in total financial stocks, which he said were mostly consumer finance "loan sharks."

NASDAQ's computer information processing sector alone amounted to 81 trillion yen worth of stock and telecommunications 79 trillion yen, compared to Japan's entire OTC services sector at 1 trillion yen, which the official said was dominated by pachinko parlor shares.

While Japan faces the need to reform its economy, an increasingly sophisticated division of labor throughout Asia means that industrial locations are more and more often "determined by market mechanisms without regard to national borders," the report says.

Japan's high costs thus crimp foreign direct investment and may hinder introduction of foreign managerial resources and domestic competition in such areas as services, leading to a "high possibility that Japan

is losing the opportunity and merits of improving efficiency within its economy," the report says.

Noting that leaders of the Asia Pacific Economic Cooperation forum will hold this year's summit in Osaka, the MITI report devotes special attention to analyzing the region, particularly East Asia, the "center of growth" of the global economy.

Japanese investment in the region is greatly changing Japan's trade structure, it says.

Unlike past overseas industrial investment, where only cheap raw materials were procured locally, Japanese companies now increasingly buy parts and machinery overseas as part of a trend from trade among various industries to growing trade within industries, it says.

And the increase of manufactured imports from the region, such as "reverse imports" from overseas subsidiaries, are increasing the integration of Japanese and other economies, the paper says.

The nation must take as its "mission" liberalizing and facilitating trade and investment to expand the regional market, actively building the region's infrastructure, helping it with energy and environmental problems, promoting training and education and boosting the region's economic vitality through ever greater imports, it says.

First Load of Rice Imports To Arrive in Aug

*OW1805100395 Tokyo KYODO in English
0930 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 18 KYODO — The first load of rice imports to Japan under the Uruguay Round trade-liberalizing agreements will arrive from Australia in late August, the Food Agency announced Thursday [18 May].

Japan is scheduled to import 380,000 tons of rice in the initial year under the agreements, which require the nation to partially open its rice market gradually in the coming years.

The agency said a simultaneous buy-and-sell auction for 2,500 tons of rice will be held in late July, prior to the arrival of the shipment, with rice importers and wholesalers taking part.

The agency had planned to hold the bidding in May for the shipment, which was originally to arrive in June.

The auction was delayed, however, until after the House of Councillors elections in July on demand by some Diet members of the Liberal Democratic Party who are lobbying for farming groups.

They feared the rice import issue could affect voting by farmers.

JAIU Sets Up Auto PL Information Office

OW1705113695 Tokyo *NIHON KEIZAI SHIMBUN*
in Japanese 16 May 95 Morning Edition p 13

[FBIS Translated Text] The Japan Automobile Importers' Union [JAIU] (chaired by Jiro Yanase) announced on 15 May that the union has set up a "customer information office" to offer comprehensive advice for problems concerning imported cars prior to the enactment of the Product Liability (PL) Law in July. This office will address customers questions and complaints.

Questions addressed to the existing "Automobile Product Liability Information Center" [Jidosha Seizobutsu Sekinin Sodan Senta], concerning imported automobiles will now be handled by the new office. The office is open from 1000 to 1700 [0100-0800 GMT] on weekdays. Its toll free telephone number is: 0120-111-328. An answer machine will also be on 24 hours a day and the office will be able to return calls immediately in emergency cases.

Hashimoto Hints at Electricity, Gas Rate Cuts

OW1205021895 Tokyo *KYODO* in English
0201 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — International Trade and Industry Minister Ryutaro Hashimoto hinted Friday [12 May] that electricity and gas rate cuts may be extended or even made deeper, reversing his recent public caution on such cuts.

The Ministry of International Trade and Industry (MITI) chief told a regular news conference after a morning cabinet meeting that he is instructing MITI bureaucrats to review the public charges system before a new law is set to take effect in January.

He refused to say clearly that the review will lead to new price cuts, saying that when cabinet ministers asked him that question, he silenced them with the reply, "guess what my intention is."

But his change of stance was clear.

When rate-cut proponents argue that the soaring yen makes dollar-denominated fuel imports cheaper and thus gives electric power and gas companies room to cut rates, Hashimoto usually counters by citing the cumulative losses by utilities companies due to steadily rising world crude oil prices.

But at Friday's news conference, while stressing that "the judgment is difficult," he acknowledged that with the high yen, "there is a possibility of future profits

being produced" by the higher yen's increased buying power.

He said he ordered MITI officials to review the system for setting the rates under the new law and to consider what should be done for the three months after current temporary rate cuts expire at the end of September.

If nothing is done, he noted, rates would return to their higher base after September.

But, stressing that rates will not necessarily fall under the system review, Hashimoto noted the currency market's erratic moves, where not long ago the dollar fell some 5 yen in a day while overnight it rebounded more than 1 yen to clear the 85 yen line for the first time in a month.

Hashimoto said he exchanged opinions Thursday with officials of the Federation of Electric Power Companies and the Japan Gas Association, quoting electricity group head Kohei Abe as saying the industry "wants to think about an appropriate response on its own while watching foreign exchange and crude oil prices."

Officials of MITI's Natural Resources and Energy Agency later indicated electricity rates may be cut further before the end of September, while the current provisional gas rate cuts will be maintained beyond that period.

The officials of the agency's Public Utilities Department produced figures for reporters showing electric utilities turned from a deficit to a surplus of 5.5 billion yen on changing yen and crude oil prices in April, which cut to 10.7 billion yen their cumulative loss since the provisional rate cuts were established last October.

But the gas industry's April turn to black ink on currency and crude oil amounted to 280 million yen, shaving its cumulative loss to 4.46 billion yen, the figures show.

Electricity rates will be reviewed around the end of this month with an eye toward deepening the cuts as quickly as possible, said an official responsible for the electric power industry.

But a gas industry supervisor said it would be "difficult" for gas rates to be cut further. But when asked if the provisional cuts would be maintained, he predicted an "appropriate response" from the industry.

The electricity official repeated Hashimoto's phrasing of the possibility of high yen-spawned surpluses for the industry, but the gas official said it is unclear if the industry will get a sufficient windfall from the yen while soaring demand last year from the scorching summer made rate cuts difficult.

Number of Firms Punished for Illegal Practices

*OW1805085695 Tokyo KYODO in English
0841 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 18 KYODO — The number of Japanese firms ordered to pay surcharges for violation of the Antimonopoly Law in fiscal 1994 hit an all-time high of 514 in 26 cases, the Fair Trade Commission reported Thursday [18 May].

The figure surpassed the previous record of 406 set in fiscal 1993, the trade watchdog said.

The commission said surcharges imposed on these companies in accordance with the law totaled 6,365.37 million yen, second highest next to the 12,562.14 million yen set in fiscal 1990.

Cases of legal violations, such as price fixing and bid-rigging, have been on the increase in recent years, the commission said.

Of the 26 cases involving violations in fiscal 1994, 16 involved bid-rigging and allocation of contracts among specific enterprises, while the remaining 10 were accused of fixing price markups and sales volumes, it said.

In a major bid-rigging case, three electrical companies were fined a total of some 84 million yen.

Major paint makers were ordered to pay surcharges totaling about 1.85 billion yen for fixing price markups of paints used in ships.

Canada on Tokyo's Role in Golan Heights Mission

*OW1905085995 Tokyo KYODO in English
0838 GMT 19 May 95*

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Canada has welcomed Japan's possible participation in UN peacekeeping efforts in the Israeli-held Golan Heights, Japanese officials said Friday [19 May].

Chief Cabinet Secretary Kozo Igarashi acknowledged at a news conference that Prime Minister Tomiichi Murayama has received from Canadian Ambassador to Japan Donald Campbell a letter hailing Tokyo's peace efforts in the Middle Eastern region.

The officials said Canada has also delivered similar letters to Foreign Minister and Deputy Prime Minister Yohei Kono, and to Finance Minister Masayoshi Takemura in early May.

Murayama, Kono and Takemura are also the leaders of Japan's three ruling coalition parties — the Social Democratic Party, the Liberal Democratic Party and new party Sakigake [Harbinger], respectively.

The United Nations wants Japanese personnel to replace 50 Canadian members of the Syria-based UN Disengagement Observer Force (UNDOF), whose transport duties in the Golan Heights are set to expire in October.

However, Japan's ruling parties have so far failed to bridge their differences over the mission due to the SDP's concern over possible violation of a peacekeeping cooperation law that bans involvement in combat operations, making it impossible to send Japanese troops in November as initially planned.

While leaving the final decision up to Japan, Canada expressed strong support in the letters for Japan's participation in UNDOF, the officials said.

Igarashi said earlier Friday Japan should draw a conclusion to the matter, possibly before the June summit of the Group of Seven major industrialized nations in Halifax, Canada.

"It is about time to decide on our stance," he said.

FY 1995 Extra Budget Clears Diet

*OW1905124095 Tokyo KYODO in English
1108 GMT 19 May 95*

[FBIS Transcribed Text] Tokyo, May 19 KYODO — The Diet on Friday [19 May] approved a 2.73 trillion yen supplementary budget for fiscal 1995 which features allocations for measures to combat the yen's rise and to rebuild the areas devastated by the mid-January earthquake.

The government's supplementary budget plan passed through the plenary session of the House of Councillors with the majority support of Japan's three ruling parties after clearing the upper house's budget committee earlier in the day.

The powerful House of Representatives approved the budget draft Thursday.

The budget includes financial aid to smaller companies as well as plans to open showrooms for imported cars as part of measures to combat the yen's surge and to reform Japan's domestic economic infrastructure.

The budget also allocates 1.43 trillion yen to rehabilitate areas devastated by the Jan. 17 great Hanshin earthquake and 34 billion yen to strengthen public security to prevent incidents like the March 20 nerve gas attack on the Tokyo subway system.

It also features additional spending of 554 billion yen under the fiscal investments and loans program.

To finance the budget and make up for a tax revenue shortage, the government plans to issue 564 billion

yen in deficit-covering bonds and 2.26 trillion yen in construction bonds.

Finance Minister Hints at Second Extra Budget

OW1905075795 Tokyo KYODO in English
0713 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Finance Minister Masayoshi Takemura on Friday [19 May] hinted at the government's readiness to compile a second supplementary budget for fiscal 1995 to finance rehabilitation work in areas hit hard by the great Hanshin earthquake.

Takemura dropped the hint at the House of Councillors' Budget Committee, which was discussing the first supplementary budget plan for fiscal 1995.

The 2.73 trillion yen extra budget, which allocates some 1.43 trillion yen to rebuild the earthquake-damaged city of Kobe and surrounding areas, is expected to be enacted Friday night after clearing an upper house session.

Takemura told the committee he recognizes that the work to rebuild the quake-devastated areas has just started, adding that the government will actively tackle the necessary challenges.

The government and the three ruling coalition parties are reportedly considering drawing up a second budget plan in October with an eye on expanding public works projects as part of the government's efforts to buoy the country's fragile economic recovery.

Takemura Says Tokyo May Consider Tax Hike

OW1805115495 Tokyo KYODO in English
1119 GMT 18 May 95

[FBIS Transcribed Text] Tokyo, May 18 KYODO — Finance Minister Masayoshi Takemura said Thursday [18 May] the government may begin "considering" a tax hike in the latter half of 1995 to balance a huge revenue shortfall stemming from large bond flotations projected in two recently compiled extra budgets.

Takemura made the remark at the House of Representatives Finance Committee in response to a question on government plans to issue 1.37 trillion yen in deficit-covering bonds without an agreement on specific measures to redeem the bonds.

"I have refrained from making any comment suggestive of a tax hike as the yen's appreciation has stirred anxieties about the course of the economy," he said.

However, he quickly added, "we will consider all the (policy) options seriously when the economic situation starts heading in a good direction."

He said, "the earliest such economic turnaround may come in the latter half of this year when the government is to compile the state budget for fiscal 1996."

The Diet passed in March a second extra budget to the 1994 state budget, envisioning issuance of 810 billion yen in deficit-covering bonds.

This was speedily followed by Thursday's passage by the House of Representatives of the first supplementary budget bill of fiscal 1995 that calls for an additional flotation of 560 billion yen in deficit-covering bonds.

The entire scale of the first supplementary budget for fiscal 1995 stands at 2.73 trillion yen. Excluding the 560 billion yen, the extra budget will be financed by construction bonds.

These borrowings are to cover emergency expenditures to soften the impact of the yen's precipitous rise against the dollar and to reconstruct the Kobe area hit by the Jan. 17 earthquake.

Kan Kato, chairman of the government's Tax System Council, recently said he staunchly opposes growing moves within government circles to seek a tax hike as part of the upcoming 1996 budget to cover a bond-related revenue shortfall.

Kato apparently fears the increase under current conditions would deal yet another blow to an anemic economy, in which the export sector has taken a beating from the yen's rise.

Poll: Murayama Cabinet Slips Over Yen, Sarin

OW1705082795 Tokyo KYODO in English
0815 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — The support rating for the cabinet of Prime Minister Tomiichi Murayama has slipped to 39.4 percent, down 4.6 percentage points from the last poll in March, while the rate of disapproval has risen by 4.2 percentage points to 51.4 percent, a KYODO NEWS SERVICE opinion poll showed Wednesday [17 May].

The disapproval rate is the highest since the coalition came to power last June.

What the public perceives as poor leadership in the government's response to the March 20 sarin nerve gas attack on the Tokyo subway system and to the rapidly rising yen apparently helped undermine cabinet support, political analysts said.

KYODO's latest regular bimonthly poll was taken Saturday and Sunday. Of 3,000 registered voters polled, 2,022 responded in personal interviews to a questionnaire on their political views.

Identification with a certain political camp has further eroded, as an all-time high of 37.7 percent of respondents said they do not support any political party, up 4.5 percentage points from the previous poll in March.

The survey results corroborate that there is a trend away from established parties, as became apparent in the April gubernatorial elections in Osaka and Tokyo where independent candidates defeated those backed by political parties.

Even many of those supporting the Murayama cabinet do so for lack of alternatives rather than out of conviction. "There is no other suitable person" was cited as the reason to stick with Murayama by 43.8 percent of respondents, up 4.9 percentage points from the March poll.

However, 26.8 percent still consider Murayama trustworthy, representing a slight 0.9 percentage point decline.

Respondents who oppose Murayama first of all criticize the prime minister's poor leadership. A total of 39.1 percent blame him for "having no leadership qualities," and 11.5 percent said he is not trustworthy.

But while in March 11.3 percent believed that political reform cannot be expected from the Murayama cabinet, only 7.9 percent supported that view this time.

As to support for the individual parties of the ruling coalition, the Liberal Democratic Party lost 0.2 percentage points but still musters the strongest support with 30.8 percent. The Social Democratic Party remains unchanged at 9.5 percent of voter support, whereas the new party Sakigake [Harbinger] slipped from 3 percent to 2.1 percent.

The major opposition Shinshinto (New Frontier Party) is backed by 12.2 percent, down 2.1 percentage points from March.

The Japanese Communist Party lost 0.8 percentage points and is now supported by 1.9 percent of respondents.

Assembly Urges Tokyo Governor To Keep Expo

*OW1805083195 Tokyo KYODO in English
0805 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 18 KYODO — The Tokyo Metropolitan Assembly passed a resolution Thursday [18 May] urging the capital's governor to drop his objection to the holding of an international city exposition next year.

The resolution is not binding on newly elected Gov. Yukio Aoshima, who promised during his election

campaign to cancel the exposition. The resolution was passed with 100 supporting and 23 opposing votes.

But if Aoshima makes a final decision to call off the World City Exposition Tokyo '96, his running of the city could become more difficult with increased prospects of a standoff between the assembly and the governor.

The resolution states that if the exposition is called off, money already spent on the planned project will have been wasted and Tokyo will face a huge payout in compensation.

It also says that cancellation will create uncertainties in the job market and have an impact on small and medium enterprises.

Aoshima, who won the April 9 Tokyo gubernatorial race, has reiterated that he will abide by his campaign pledge to scrap the fair.

Under the long-range plans for project, the Tokyo Metropolitan Government had called for the creation of a futuristic city with a projected population of 63,000 on a 448-hectare site on reclaimed waterfront land.

The holding of the exposition on the site from March 24 to Oct. 13 next year was expected to motivate business companies to participate in the project.

Tokyo Expo To Open as Scheduled

*OW1605145495 Tokyo KYODO in English
1435 GMT 16 May 95*

[FBIS Transcribed Text] Tokyo, May 16 KYODO — A special committee of the Tokyo Metropolitan Assembly Tuesday [16 May] adopted a nonbinding resolution urging the capital's governor to drop his objection and hold a controversial international city exposition next year as scheduled.

The assembly itself is expected to pass the resolution at a plenary session Thursday since a majority of the assembly are in favor of holding the World City Exposition Tokyo '96.

The resolution is likely to deal a severe blow to newly elected Tokyo Gov. Yukio Aoshima, who had promised to cancel the exposition, although the resolution is not mandatory.

During three days of heated debates by the special committee, the Liberal Democratic Party and the Komei Party, two major assembly forces, warned that cancellation of the expo would result in a loss of Tokyo's international credibility and leave tens of thousands people unemployed.

The two parties also pointed out that the expo has been estimated to have an economic effect of some 1.7 trillion yen.

The LDP holds 43 seats in the 128-seat assembly, while Komei has 25 seats.

Aoshima, who won the April 9 Tokyo gubernatorial race, has reiterated that he will abide by his campaign promise to scrap the fair.

"Now that we have been forced to alter the waterfront project, the significance of holding the expo as a means of promoting and publicizing it is lost," Aoshima told the committee.

Under the project, the Tokyo Metropolitan Government had called for the creation of a futuristic city with a projected population of 63,000 on a 448-hectare site on reclaimed waterfront land.

Holding of the exposition on the site from March 24 to Oct. 13 next year was expected to motivate business companies to join the project.

Reports Surrounding 'No-War' Resolution

Government Hopes for Jun Passing

OW1805044095 Tokyo KYODO in English
0417 GMT 18 May 95

[FBIS Transcribed Text] Tokyo, May 18 KYODO — The government hopes the Diet will adopt a "no-war" resolution before its current session closes June 18, a spokesman said Thursday [18 May].

"I think it's desirable for such a resolution to be adopted during the current Diet sitting," Chief Cabinet Secretary Kozo Igarashi told a news conference.

The three ruling coalition parties are at odds over the specific wording of an antiwar declaration and the timing of its adoption in the Diet.

Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) seeks an early passage of such a motion to commemorate the 50th anniversary this year of the end of World War II, but many members of the conservative Liberal Democratic Party, the dominant force in the coalition, are opposed to such a resolution.

Igarashi, a key SDP legislator, has previously expressed hope the Diet will pass a war-renouncing declaration in line with the three ruling parties' policy accord last June, which includes a call for efforts to adopt such a resolution this year.

Coalition Divided Over Resolution

OW1805122595 Tokyo KYODO in English
1154 GMT 18 May 95

[FBIS Transcribed Text] Tokyo, May 18 KYODO — The ruling coalition on Thursday [18 May] failed to narrow its differences over the wording of a Diet resolution to mark the 50th anniversary of the end of World War II, party officials said.

A coalition project team met Thursday and agreed the resolution should express Japan's determination for peace in the future and its condolences to the victims of the war, both at home and outside of Japan.

Thursday's meeting, however, revealed major differences in the views of history held by the Social Democratic Party (SDP) and new party Sakigake [Harbinger] in contrast to the conservative Liberal Democratic Party (LDP).

The SDP of Prime Minister Tomiichi Murayama stressed in its draft resolution the need for the resolution to express its "profound regrets over the pain and sadness" that Japan inflicted on its Asian neighbors through its "aggressive behavior" and "colonialism."

Sakigake submitted a similar draft with the SDP, but LDP lawmakers oppose any unilateral apology or expression of regret by Japan.

The LDP stresses instead that the resolution should express a desire for permanent world peace and Japan's contributions to international society.

The SDP and Sakigake are also stressing the need for the resolution to express Japan's "determination" and "efforts" toward world peace.

Task force chief Kosuke Uehara of the SDP told reporters the LDP has said it will not accept any mention of Japan's "aggressive behavior."

Earlier Thursday, Chief Cabinet Secretary Kozo Igarashi said the government hopes the Diet will adopt a resolution before its current session closes on June 18.

Kubo Comments on Resolution

OW1905080395 Tokyo KYODO in English
0728 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — A proposed Diet resolution marking this year's 50th anniversary of the end of World War II should voice Japan's determination not to wage war again, a senior official of Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan, SDPJ] said Friday [19 May].

Speaking at a news conference, SDP Secretary General Wataru Kubo also contended that such a motion should be intended to offer an apology for Japan's wartime wrongs in other Asian countries.

"If some insist it is impossible to include terms meaning 'no war' and an apology, it will not be a resolution in line with the three-party accord," he said, referring to the coalition policy pact reached last June.

The three coalition parties — the SDP, the conservative Liberal Democratic Party and new party Sakigake [Harbinger] — have agreed in the accord to strive to pass a no-war motion through the Diet this year.

With the June 18 close of the current regular Diet session [words indistinct] war, however, they have yet to narrow their differences over the specifics, especially the wording.

Kubo, the SDP's second in command, voiced hope the three parties will find middle ground on which to adopt a Diet resolution that honors the principle of their policy accord — a key document seen as the basis of the Murayama administration.

At present, representatives of the coalition parties are trying to draft such a declaration. But the wide gaps over their historical perceptions are posing a serious threat to early passage of such a motion through the Diet.

Murayama, who is also chairman of the SDP, has expressed hope that a proposed resolution will refer to Japan's colonial rule and aggression before and during the war.

But he said earlier Friday representatives of the ruling parties need to discuss the shape of such a motion more thoroughly.

SDPJ's Draft Resolution Viewed

OW1805022395 Tokyo YOMIURI SHIMBUN
 in Japanese 11 May 95 Evening Edition p.1

[FBIS Translated Text] The Social Democratic Party of Japan [SDPJ] convened a Central Executive Committee meeting on the morning of 11 May and finalized a draft party platform to be submitted to an extraordinary party convention on 27 May. Regarding a Diet resolution to be adopted on the occasion of this year marking the 50th anniversary of the end of World War II — a focal point in the latter half of the current Diet session — the SDPJ, in its draft party platform, has spelled out a policy indicating that, "should the resolution become ambiguous or its adoption be shelved during the current Diet session due to resistance by the Liberal Democratic Party [LDP], we must reconsider our coalition alliance (with the LDP and Sakigake [Harbinger]) itself." The

SDPJ hopes to assemble political forces into a "third axis" to counter the LDP and the New Frontier Party's concept of a two-major-party system by conservative forces." In its draft party platform, the SDPJ stipulates the new party will be characterized as: 1) a lenient citizens' party, and 2) a network-oriented party based on the concepts of decentralization and participation.

In its overall review of the outcome of the recent local elections, the SDPJ not only considers popular criticism against existing political parties as responsible for the increase in the number of voters who support no specific party but also accepts that this is the voters' "expression of distrust of and irritation with the SDPJ." The SDPJ has also analyzed that it suffered defeat because it "was unable to identify itself, being part of the ruling force." The party also stressed the need to demonstrate its individuality as a political party through such means as tackling the issue of the "Diet resolution" on the occasion of this year marking the 50th anniversary of the end of World War II.

Moreover, to assemble a broad range of political forces to prepare for the shift to a new party, the upper house election to be held this summer, and the next general election, the SDPJ has indicated it plans not to strike off from its membership list the names of party members who have quit the party. The plan is aimed at hushing up the matter regarding the disposition of former SDPJ Chairman Sadao Yamahana, who submitted his intention to quit the party on 10 May, and other party members who showed understanding about the new-party plan. However, most party members who bolted from the party in the past have been expelled. As a result, the new policy is expected to create considerable controversy within the party.

In addition, the SDPJ has indicated that it plans to seek approval at the party convention to replace the traditional "New Declaration," which was essentially a document listing general principles, with a "1995 Declaration."

SDPJ on Resolution of Wartime Atrocities

OW1205134595 Tokyo KYODO in English
 1252 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — A draft Diet resolution written by Prime Minister Tomiichi Murayama's Social Democratic Party [SDPJ — Social Democratic Party of Japan] expresses deep remorse for wartime Japanese atrocities in Asian nations, party officials said Friday [12 May].

The draft, recognizing Japan's invasion into Asian countries and its colonial role over the Korean peninsula,

expresses deep remorse for forcing Asian people to undergo "sufferings and grief beyond words," they said.

It also includes a promise not to wage war, vows Japan's firm determination for peace, offers condolences for the dead in World War II, and expresses Japan's commitment to pass the history of the war onto the next generation through education, they said.

The draft points out, however, that the resolution should not be used as an argument for compensating Asian people for Japan's wartime atrocities, they said.

The SDP and its two coalition partners, the Liberal Democratic Party and New Party Sakigake, have agreed to issue a Diet resolution to mark the 50th anniversary of the end of the war.

But they remain at odds over what to say, with a group of conservative LDP members opposing any apology to Asian people for wartime actions.

Ruling Parties Dispute Review of Policy Accord

OW1905110695 Tokyo MAINICHI SHIMBUN
in Japanese 16 May 95 Morning Edition p 2

[FBIS Translated Text] Moves within the ruling coalition parties to review their policy accord have intensified. The Tripartite Policy Accord was reached when they formed the coalition government in June 1994. While this is definitely not an issue that "can be settled easily" (stated by a senior official of the Liberal Democratic Party [LDP]), the key question is not whether a conclusion will be worked out or not.

None of the three parties intends to dismantle the framework of the coalition. The Social Democratic Party of Japan [SDPJ] and Sakigake [Harbinger Party] aim to assert their own identities by holding frequent consultations. The LDP is increasingly wary that these consultations are "maneuverings under the pretext of policy coordination" (stated by the same official).

The SDPJ and Sakigake held a "policy coordination meeting" on the evening of 9 May and confirmed their plan for "reviewing the policy accord." The aim of the meeting was officially announced as: "to deal with issues which had not been predicted when the administration was formed — such as the great Hanshin quake, the sarin attack on the Tokyo subway system, and the drastic yen appreciation" (stated by a senior SDPJ official).

SDPJ Secretary General Wataru Kubo held talks with Sakigake Secretary General Yukio Hatoyama and LDP Secretary General Yoshiro Mori at the Diet following the meeting of representatives from the ruling parties on 15 May. During the talks, Hatoyama proposed to

Mori "think constructively of what is lacking and what remains unsettled in the policy accord by evaluating its success and failure."

Mori agreed to hold discussions among the secretary generals of the ruling parties with the attendance of officials in charge of policy affairs.

There are some issues in the accord where the three parties clearly differ in their views — for instance, how to handle the "Diet resolution to commemorate the 50th anniversary of the end of World War II" and stance on UN peacekeeping operations (PKO). Since the Tripartite Policy Accord was in the first place, "[as fragile as] a glasswork," none of the concerned officials has a concrete image of the result of the review. Top officials of the LDP, which is in the defensive on this issue, are in a sullen mood, saying "there is no room for review."

A senior LDP official regards the real motive of the proposal to "review the policy accord" as "an effort by the SDPJ and Sakigake to express their original idealistic stand prior to the Upper House elections."

Some LDP members go as far as asserting, "This is a move to seek a way to form a 'third force,' separate from the two-party system" (stated by a former cabinet member). In any case, whether the Tripartite Policy Accord will be reviewed is noteworthy as a factor which will affect a second round of political realignment in the future.

LDP Factions Resume Activities for Revival

OW1805014395 Tokyo YOMIURI SHIMBUN
in Japanese 11 May 95 Morning Edition p 3

[FBIS Translated Text] The Liberal Democratic Party [LDP] factions were disbanded at the end of last year. However, recently, these groups seem to be increasingly working toward their revival. The former Obuchi faction, which has exercised restraint in making public moves, finally resumed study meetings on 10 May. Consequently, all five of the LDP's former factions now hold regular meetings.

Each group aims at strengthening the faction's unity in preparation for possible changes in political circles, which is expected toward the end of the current Diet session and to the upper house elections this summer. Intraparty struggle for party leadership is expected to intensify.

LDP Vice President Keizo Obuchi, who once led the Obuchi faction, met with such senior faction officials as Ryutaro Hashimoto, international trade and industry minister, and Tamiyuki Watanuki, former LDP secretary general, at a Tokyo hotel at the end of April and

reached agreement on resuming the former Obuchi faction's study meetings.

Following the faction's dissolution, not only its senior members but also members of a group called "Hi-Fu-Mi Kai [One-Two-Three Club]," which is composed of rookie lower house Dietmen who have been elected once, twice, or three times, had been holding separate secret meetings.

Moreover, on 16 May, lower house Dietmen Hosei Norota and Fukushima Nukaga will form a new blanket group to cover the whole Obuchi faction. In view of such a move, it is believed that there is a need to "consolidate forces" and a decision was made to resume study meetings for the former members.

The former Watanabe faction, which held two study meetings in February, held a third meeting on 26 April to promote the group's realiance.

In a speech delivered at the third meeting, former Deputy Prime Minister Michio Watanabe stressed: "Since other factions are strengthening their unity, it is not good [for us] to be disunited." The faction plans to hold a liaison meeting every Thursday.

Taku Yamazaki, LDP Diet Affairs Committee chairman and a member of the former Watanabe faction, formed a Dietmen's group called "Group Shin-Seiki" with Chairman Koichi Kato of the LDP Policy Research Council and other younger and experienced Diet members in May 1994. LDP General Council Chairman Kabun Muto also formed a group across factional boundaries, "Shin Mirai Kenkyukai," last April. Dietmen who are not members of these groups have voiced concern about "possible disadvantages in dealing with such intraparty issues as personnel appointments due to a lack of connection."

Among the former factions, the Mitsuzuka one was the first to resume activities. The group set up a new office in a hotel near the Diet in late March; it also continues to hold regular study meetings at party headquarters. The faction is believed to intend to gain a say in such issues as a cabinet reshuffle and party personnel affairs by maintaining its unity.

The former Miyazawa faction renamed itself "Mokuyou Kenkyukai [Thursday Study Group]" (led by former Prime Minister Kiichi Miyazawa), and has been holding meetings regularly at the former faction office since the middle of April. It is believed that the faction intends to promote ties between Dietmen who are close to Kato and LDP President Yohei Kono for the upcoming LDP presidential election this fall.

The former Komoto faction also resumed study meetings at its former office. The group expects that "it will be possible to take the initiative in political circles by strengthening unity," based on the fact that Sakigake [Harbinger Party], which is composed of almost the same number of lower house Dietmen as the former Komoto faction, has been influential in administrations of the coalition government era, which started in the summer of 1993.

Concerning the dissolution of party factions, the LDP decided on three principles last November: 1) faction offices should be closed, 2) faction names should not be used, and 3) general meetings of factions should not be held. Therefore, concerning the resumption of faction activities, some party members say: "The party decision on faction dissolution has become meaningless."

LDP executive members, including Secretary General Yoshiro Mori, have been calling for restraint in holding study meetings at former faction offices and have been saying at executive meetings: "If study meetings are to be held, we hope they will be held at the party headquarters."

LDP's Obuchi on Possible Fall General Election

OW1805122795 Tokyo KYODO in English
1021 GMT 18 May 95

[FBIS Transcribed Text] Tokyo, May 18 KYODO — Liberal Democratic Party (LDP) Vice President Keizo Obuchi on Thursday [18 May] pointed to the possibility of a fall election for the House of Representatives but denied there will be simultaneous polls for both houses of the Diet in July.

In a speech in Tokyo, Obuchi brushed aside growing speculation that the ruling coalition may move to dissolve the lower house for a simultaneous election with the scheduled July House of Councillors poll.

Asked when the general election will likely come, Obuchi mentioned several possible scenarios, including dissolution of the lower house during the expected special Diet session in September or October to discuss bills for the second supplementary budget for the current fiscal year.

Obuchi stressed that the LDP, the largest force in the three-party ruling coalition, will continue to support the government led by Prime Minister Tomiichi Murayama of the Social Democratic Party (SDP).

But he added that any devastating defeat of the SDP in the upper house poll in July could put Murayama under pressure from within his own party to resign to take responsibility.

Ozawa's Efforts To Recapture Power Viewed

OW1905090695 Tokyo TOKYO SHIMBUN
in Japanese 14 May 95 Morning Edition p 2

[Article by Yasuyuki Oguri]

[FBIS Translated Text] Attention in Nagata-cho is focused on how Ichiro Ozawa, secretary general of Shinshinto [New Frontier Party — NFP], will deal with the final stage of the Diet session, since there are some signs of change on the political scene. For example, the Social Democratic Party of Japan [SDPJ] urgently needs to restructure itself. Members have been leaving continuously and taking "rebellious action", making the instability of the Murayama administration evident.

Ozawa was shocked by the resignation of his right hand man, [Lower House] Dietman Keisuke Nakanishi, who was the NFP's top election strategist. "For several days, Ozawa tried to persuade Nakanishi to reconsider his resignation," a senior NFP official stated. Ozawa revealed his feelings at a news conference held on 12 May, saying: "It is regrettable to lose a capable member."

Such a "predicament," Ozawa seems to strongly believe "offers a good opportunity for winning back the administration." While Ozawa takes a cautious stance on submitting a no-confidence motion against the Murayama Administration, many observers regard this as "part of his calculated strategy to capture political power" (according to the same NFP official).

Since the NFP does not have full confidence in its ability to win in elections, submitting a no-confidence motion is not a good idea because it might lead to the dissolution of the Lower House. The NFP's analysis is, rather, that Prime Minister Tomiichi Murayama will resign shortly. Some observers say that Ozawa's strategy is to ally with the Liberal Democratic Party [LDP] to form an administration in the "post-Murayama" era.

In fact, Ozawa has recently said: "The framework of the administration need not remain unchanged. Changes in the administration will be an opportunity for political realignment." His remarks reflect a positive stance on political realignment, with a plan to form a "conservative-conservative" coalition government.

An experienced Dietman formerly belonging to the Shinseito [Japan Renewal Party] has said: "Mr. Ozawa may be thinking of political reorganization based on support for Minister of International Trade and Industry Ryutaro Hashimoto of the LDP as candidate for prime minister, as opposed to Foreign Minister Yohei Kono."

However, this scenario is still an unrealistic blueprint. Many NFP members voice critical views on forming

a "conservative-conservative" coalition government and some members doubt whether Ozawa, whose leadership has weakened, can make such a drastic move.

Ozawa spoke in his typical manner at a news conference held on 12 May. He said: "I am responsible for Diet affairs. I will make the best decision for our party." How will Ozawa, acting as the party's control tower, make such a decision in a period of increasing political inscrutability, both inside and outside the party? It is certain that the decision will be the most crucial one for the party and Ozawa since the founding of the NFP.

NFP's Ichikawa Discusses 'Ho-Ho' Alliance

OW1605131395 Tokyo MAINICHI SHIMBUN
in Japanese 14 May 95 Morning Edition p 2

[FBIS Translated Text] Yuichi Ichikawa, political affairs council chairman of the New Frontier Party [NFP], gave a speech to a meeting of local legislators formally belonging to Komeito at Komei Hall in Shinjuku, Tokyo on 13 May. Commenting on the NFP's move toward formation of a "conservative-conservative [ho-ho] alliance" with the Liberal Democratic Party [LDP], Ichikawa said: "If there are some people who are calculating which party to unite with to take power, or who just want to change their opposition status, I cannot join such an alliance." In this way, he indirectly tried to hold the formation of the new alliance in check. Moreover, Ichikawa added: "It is not right to change the political framework at the convenience of political parties and politicians without having elections under the new system." He emphatically said that administrative realignment should be done after the House of Representatives' election.

Regarding Prime Minister Tomiichi Murayama's remarks on the "limits" of his cabinet, Ichikawa renewed his call for Murayama to resign: "If the prime minister feels there are limits to his cabinet and that it is just a temporary one, he must step down immediately." Citing the fact that it was LDP Secretary General Yoshiro Mori who fanned speculation about Murayama's resignation, Ichikawa pointed out: "It only proves, in an indirect way, that the Murayama cabinet has already finished its duties."

Ichikawa also criticized the ruling parties for deciding the schedule for supplementary budget deliberations at the Diet without the NFP: "It was an extremely authoritative manner." Then he indicated his intention to bring up the issue at the top NFP executives' meeting on 15 May to discuss handling of the Diet debate, including the possibility of boycotting the plenary session of the House of Representatives.

NFP Concept for Alliance With LDP Discussed

*OW1805135195 Tokyo TOKYO SHIMBUN
in Japanese 16 May 95 Morning Edition p 2*

[FBIS Translated Text] Several senior executives of Shinshinto [New Frontier Party; NFP] disclosed on 15 May that it has started to study a "conservative-conservative coalition administration" concept of forming an alliance with the Liberal Democratic Party [LDP] in preparation for the era following the Murayama administration.

According to this concept, the NFP aims at forming a government led by such LDP leaders as Ryutaro Hashimoto, minister of the Ministry of International Trade and Industry, and a "save-the-nation cabinet" to deal with various problems of the nation, such as Japan-U.S. trade frictions. It is believed that NFP Secretary General Ichiro Ozawa has approved the plan and that several NFP Dietmen have started to make contacts with the LDP.

While some have moved toward forming a partial alliance, it is observed that others are trying to check this move. However, some LDP executives suggest taking a cautious stance, maintaining that "it is an attempt to undermine the Murayama administration." Meanwhile, a deep-rooted criticism against an all-out alliance with the LDP has been voiced within the NFP. It seems most likely that the NFP will face difficulties in its attempt to turn this concept into reality.

Moves for Popular Vote of Premier Trouble NFP

*OW1805012895 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 10 May 95 Morning Edition p 2*

[FBIS Translated Text] Political turbulence over the issue of "publicly electing the prime minister" by holding a national election is now turning into a seed of troubles within the New Frontier Party [NFP].

Having learned that Hajime Funada, of the NFP, and Taku Yamazaki, the Liberal Democratic Party's chairman of the Diet Affairs Committee, agreed in an 8 May meeting to further pursue their ideas not only on this matter [electing the prime minister by popular vote], but also on the direction of future political world reorganization, the NFP is now alarmed that some party members may be "rebellious against the party leadership."

Meanwhile, Funada is not about to budge an inch from his position. In a 9 May meeting of the "Group To Think About the Qualifications of Japan's Prime Minister" which he heads, Funada declared he would meet with Yamazaki again on 17 May as scheduled. With the

generation gap working also as a cause of friction, the differences inside the party can further widen.

NFP President Toshiki Kaifu, at the 9 May "tomorrow cabinet" meeting, hinted his displeasure with the moves of Funada and others, saying: "The fact that there are those who dare disrupt party unity is undesirable."

Speaking at a news conference, Takeo Nishioka, the NFP executive in charge of overall coordination, also criticized the idea of holding a public election to choose a prime minister, saying: "Have they thought about why we do not call our system a presidential system? Their actions are irresponsible unless they first discuss what they would do about our parliamentary cabinet system and explain it to the public."

Bureaucrats on House Dissolution, Elections

*OW1805045595 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 13 May 95 Morning Edition p 5*

[FBIS Translated Text] In addition to the financial and labor circles, bureaucrats in Kasumigaseki [Tokyo area where government ministries and agencies are located] are increasingly voicing hopes for an early dissolution of the House of Representatives and holding of general elections. The present situation is that the bureaucrats are increasingly feeling the gridlock in the policy-making process within the Murayama government, which is formed by the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ]. At the same time, they are not fascinated by the opposition New Frontier Party [NFP]. Ruling and opposition parties have yet to schedule deliberation on the first supplementary budget for fiscal 1995. Disenchanted with this situation, a growing number of bureaucrats are certainly expressing hopes that the House of Representatives will be dissolved and the established political parties will be sweepingly regrouped.

A feeling of gridlock is spreading among the Kasumigaseki bureaucrats. They feel that way because: 1) sandwiched between the LDP and SDPJ, which still show great policy differences, they have difficulty vigorously getting things done, and 2) the prime minister lacks leadership. With disappointment, the Foreign Ministry has decided to put off Japan's cooperation with UN Peacekeeping Operations (PKO) in the Golan Heights in the face of SDPJ opposition. The SDPJ plans to settle the Minamata disease [caused by mercury] issue before 27 May, when it holds its party convention. The Finance Ministry is wary of any additional financial burden. Japan-U.S. relations are in a state of danger following the breakdown of the Japan-U.S. automobiles and auto parts negotiations, but the prime minister shows no signs of his eagerness to get involved in the issue.

Shoichiro Toyoda, president of the Federation of Economic Organizations of Japan, has stated that the "House of Representatives needs to seek anew the people's confidence." The financial and labor circles have demanded an early dissolution of the House of Representatives and holding general elections since April after learning of the government's benign neglect of the sharply appreciating yen. No bureaucrats in Kasumigaseki are speaking out in favor of dissolving the lower house and holding general elections, but many are echoing the demand by the financial and labor circles.

Both ruling and opposition parties have asked the government to compile the first supplementary budget for fiscal 1995 as soon as possible to "keep the yen from further appreciating." In response, government ministries and agencies have hurriedly compiled the first supplementary budget while working on it even during Golden Week. Nonetheless, the ruling and opposition parties have decided to put off the planned deliberation on it at the Budget Committee of both houses to early next week. Some predict that it remains unclear whether or not the Diet will enact the first supplementary budget in May because of resistance from the NFP and that government ministries and agencies are in an atmosphere of disappointment.

Even if the House of Representatives is dissolved and general elections are held, there is no guarantee that a government will be formed under which the bureaucrats can get things done more easily than before. A voice is heard from every corner of Kasumigaseki that something should be done to break the present gridlock.

*** Scholar on Fate, Nature of Political Reform**

952B0160A Tokyo SEKAI in Japanese May 95
pp 121-125

[Article by Hiromichi Imai, Hokkaido University professor: "Can Japanese Politics Change After All? What in the World Did 'Political Reform' Seek of Japanese Politics?"]

[FBIS Translated Text] After the closing days of the Hosokawa government, which deteriorated under the control of the Shinseito, Japanese politics which had once begun to become transparent, began to become cloudy again, and the public's hopes and enthusiasm for politics ended up subsiding. The Liberal Democratic Party [LDP]-Social Democratic Party of Japan [SDPJ]-Sakigake coalition government has not been able to revive this enthusiasm. That is expressed in the public's mistrust of politics, which is at a serious level, and in the growth of the segment of the public which "has no political party which it supports." During this time, while neglecting the true realization of "political reform"

by dissolving it into reform of the electoral system, only realignment of the political landscape centered on a strategy of survival by a single-seat-district election system has advanced rapidly.

In the midst of these circumstances, the LDP accomplished a return to government by using establishment and maintenance of the Murayama government as a lever, so it forgot its sense of crisis at the time when it fell to the position of an opposition party, and returned again to its former state in which special-interest Diet members reign supreme. It appears as though the inclination to escape from "interest politics" ended as the dream of a moment. Meanwhile, setting aside the question of assessment and likes and dislikes, the Shinseito, which in its own way espoused a clear political strategy and gave the impression that Japanese politics had entered a new phase, ended up blurring its political individuality in dissolving into the New Frontier Party, which had an eye on formation of a majority faction in the Upper House election and the Lower House election under the single-seat district system. The SDPJ lost sight of its identity after the 1955 setup, and is hastening to dissolve itself into two conservative forces. Thus Japanese politics is now in the sorry plight of again having to ask: "Can the LDP change?" Or rather, to begin with: "Can Japanese politics change?" And I am struck by the feeling that we have no choice but to answer: "It probably cannot change."

The Impasse of "Interest Politics"

Why did things turn out like this? Is the LDP, is Japanese politics, truly unable to change? In order to ponder this matter, we must at this point ascertain what in the world "political reform" seeks from Japanese politics in the first place, even if in simple enough form to write out in a few lines.

Behind the fact that political reform which would overcome the limitations of LDP politics was sought, the breakup of the LDP and formation of a coalition government became a reality, and realignment of the political landscape progressed, there lay the progress of the disintegration of LDP politics in the midst of repeated scandal, and the strong voice of the public which demanded a clean up of political circles. It is certain that the voice of the public spurred on development of the situation. However, one cannot view political reform as the same thing as firm establishment of political ethics, or a clean-up of political circles. There were always voices seeking establishment of political ethics and a clean-up of political circles, but they were able to become an effective power in the last two or three years because the situation interposed itself that structural reform of politics was urgently required

because Japan's political system up to now, which was called the 1955 setup, ceased to be able to deal fully with radical changes in international and domestic politics. Without comprehending the significance of this fact, the effective critical point of view regarding the current political situation will probably be lost from sight.

It is beyond dispute that the necessity to review Japan's international role in the midst of changes in the international situation, especially the end of the Cold War structure, lay behind the fact that structural reform of politics became an urgent necessity. But what was more important than that is probably the fact that policies based on the doctrine of the welfare state since the 1930's—which, I remind you, is not a welfare society—and the postwar Japanese edition of that, brought about swelling of state structures and greater rigidity of government finance, the spread of bureaucratic spirit, and the hampering of the public efforts to help itself. For example, the economic and social exhaustion of England, which was called the "advanced country disease," was thought to be the result of welfare-state policies. The recognition had become general that in order to avoid that evil, along with reform of the industrial structure, it is indispensable to escape from bureaucratic government by reorganizing the relationship between officials and the people.

It has become generally understood that, particularly for Japan, which, along with its economy achieving a mature state is on the way to being an aged society, it is necessary to maintain the "vitality" of its economy and society, go on handing back the functions of the state to society, relax regulation, and invigorate a society which has been released from bureaucratic government. Herein lies hidden the choice of whether the welfare state should be substituted for by a society centered on market-like efficiency or should be converted to a welfare society based on solidarity and symbiosis of the citizenry.

Choosing the former, the so-called neoliberalism [as published] which idealises the politics of Reagan and Thatcher sought government which could display leadership directed toward activation of spontaneous vitality through markets. It fundamentally rejected government which secures a base of support by guiding an infinite number of individual interests, bundling them together, turning them into policy and linking them with administration—it called this "interest politics"—and a necessity was keenly felt to firmly establish political leadership which could stand on this kind of macroscopic view, while keeping an eye on the rapidly changing world situation. The impasse of LDP politics is none other than the impasse of "interest politics" which cannot stand on this kind of macroscopic view. Dealing

with that has become a still more urgent matter in the progression after the Cold War and after the 1955 setup, and it has been further accelerated by national criticism of political corruption.

All Sorts of Groping About in Mutual Opposition

Nakasone politics, which was clearly conscious of this kind of development, in this context promoted "administrative reform" and "education policy," and preached the necessity of "a full settlement of accounts for postwar politics" which should fulfill "international responsibility" as "a member of the free world." This "full settlement of accounts" was promoted against the background of the LDP's numerical superiority. Therein is contained the self-contradiction that it conquers "interest politics" against the background of political power which "interest politics" was able to marshal. We fell heir to this Nakasone's sense of tasks; the one who judged the breakdown of the 1955 setup to be impossible under LDP politics which was based on "interest politics" was Ozawa. From this point political reform which would not be dissolved into the "low level" problems of establishment of political ethics and cleaning-up politics was conceived, it parted from conservative factions within the LDP, and a realignment of the political landscape was devised which was sudden and even a bit high handed.

Establishment of the Hosokawa government was the result of the convergence of such things as this kind of plan of Ozawa's, criticism of political corruption and advocates of decentralization who attached importance to consumers; in short, it was the result of the union of various forces which in some sense reject LDP-type "interest politics." It did not mean that there was any agreement on the kind of era which one viewed as beginning at the end of the 1955 system.

The "full settling of accounts for postwar politics," which equals conquest of the 1955 setup, had many possibilities, with groping in the direction of a Nakasone (Michio Watanabe)- and Ozawa-type doctrine of national prestige, and groping in the direction of a "citizen faction" as the two poles—a "citizen-faction"-type direction indicates the attempts at making more self-aware the energy for which the former Shashiren [Social-Citizen Alliance] and Shinjiyu Club groped in the past, which gradually appeared on the political stage on the occasion of the Doi boom, and which was reproduced in the form of the Hosokawa boom. In short, the groping which rejected "interest politics" was something which could face in all sorts of directions which opposed each other.

Far from uniting and elevating the base of this kind of "convergence" through concrete policy, on the contrary,

the Hosokawa cabinet after the "national welfare tax" disturbance, and the Hata cabinet, ended up breaking it up. The Kimura government has also not been able to do that, and in terms of result it is degenerating into a bridgehead for a return to power of LDP-type "interest politics." The current situation in which the question "Can the LDP change?" or "Can Japanese politics escape interest politics?" is being asked is probably this kind of thing. Moreover, the Shinseito, too, became a collection of various interests known as the New Frontier Party and came to have a similar dilemma to that of the former LDP.

Overcoming this dilemma by political force related to the former LDP—the LDP, Shinseito, Shinto Sakigake and so on—will probably be accompanied by difficulties. In the final analysis these Diet members are being supplied with political energy by private, individual supporter associations centered on business circles and local election districts. The supporter associations are, after all, nothing but basic units of an interest-encouraging type of politics which exchanges, for support in elections, intercession with the central government regarding various individual interests; they are not organizations which support a Diet member's political discernment which transcends that. Actually, we have witnessed to the point of distaste old-minstrel-type tragedies of politicians who abandoned their intentions because their own political resolve in the midst of realignment of the political landscape was not understood by their supporter associations.

The questions: "Can the LDP change?" and "Can Japanese politics escape from interest politics?" include the question: "Can this dilemma be overcome?" Ozawa politics was also brought to a standstill before this dilemma. If this is so, it seems likely that it would be better to judge that the problem is concerned even with the proper nature of a political culture which cannot be broken through by political skill alone.

Only the Combination Changed

Thus, modern Japanese politics ought to change, but cannot. It is no exaggeration to say that the only thing that changed is the combination of political parties which were obliged to change the election system. It is probably a natural outcome, so to speak, that far from receiving the support of the public, this kind of realignment of the political landscape does not even attract interest. That fact has been manifested in the situation that the segment which "supports no party" exceeds 50 percent. It is worth recalling again at this point the fact that Doi's Japan Socialist Party of 1989 and Hosokawa's Japan New Party of 1993 were once able to secure to a considerable degree the segment

which was disappointed in existing politics or detested it.

Speaking on the above basis, it is because it can be said that the current problem lies in how to convert into political energy the disappointment in politics and reaction against politics of this segment of over 50 percent which is outside the sphere of "interest politics" and which "supports no party," and whether it is possible to use that to reform the political culture. One may also express it in other words by saying that it lies in the point of how will it be possible to reexcavate the political energy of "citizens" which once manifested itself by chance in the form of the Doi boom and Hosokawa boom, and give to it an appropriate direction for the period after the 1955 setup.

An attracting force which appeals to this segment has not operated after that. This segment has become more individualistic in the midst of a trend toward alienation from systems and from political parties, and though it has considerable political information, it does not have an opportunity to exercise political power because it has not been introduced into "interest politics." Moreover, so long as it does not continue to bury itself in corporatism, that segment has a possibility of seeking realization of nonbureaucratic government in a direction other than the "logic of the strong," which is activation of the spontaneous vitality of the market. It may be that within this segment it is possible to seek persons who would bear the burden of a "citizen-type political culture" which could convert a welfare "state" to a welfare "society" appropriate for an aging society, and also allow us to break away from "interest politics" to "consumer politics."

Marshalling of Citizen Political Forces

We cannot go into the details, but if this kind of supposition is not a great error, crystalizing citizen-ideology type political forces in a self-conscious manner will probably be an urgent task for the future. Is it not true that the fact that it has not been done in a form accompanied by an appropriate political outlook became the cause of the people's heartstrings not being touched by the trend in the current realignment of the political landscape? That is, cannot one convert the question: "Can Japanese politics change?" into the questions: "Can the citizen faction have its own axis of political concentration, and can it also have its own political stage?" When we think about it in this manner, we hit upon the necessity for us to not view politics as being limited to Nagatacho alone, but to view it within a larger framework which includes the activities of such as NGO [nongovernmental organizations] and

NPO [nonpolitical organizations], and trends in citizen consciousness, including local government.

J[ohn] S[tuart] Mill, who is one of the representative liberals in the history of philosophy, was already apprehensive in the middle of the last century that a people which "became accustomed to a bureaucratic system" and acquired the habit of "expecting the state to do everything" for it, would ultimately do nothing other than decline into long-term stagnation.

It is also well known that Max Weber felt similar fears more acutely, and felt a sense of crisis to the point of impatience with the authoritarian spirit which was dominant in pre-World War I Germany, and that he was repeating from both the level of principle and the level of public opinion the necessity of critical conquest of bureaucratic spirit by a citizen spirit which possesses the ability of political understanding. One can say that problems involving conquest, by citizen spirit, of the overexpansion of bureaucratic systems has been a fundamental problem from the modern age to the present. And now we Japanese have encountered this kind of problem in concrete form and should escape from the bureaucratic government since the Meiji period—from a bureaucratic political culture, and from politics which encourages interests.

Seven SDPJ Defectors To Form New Diet Blocs

OW1805115895 Tokyo KYODO in English
1115 GMT 18 May 95

[FBIS Transcribed Text] Tokyo, May 18 KYODO — Former Social Democratic Party (SDP) (of Japan) Chairman Sadao Yamahana and six other SDP defectors agreed Thursday [18 May] to form new parliamentary blocs in both houses of the Diet.

Yamahana, Ryuichi Doi, Shigeru Goto, Ikuo Horigome and Kenji Yoshioka, all House of Representatives members, and House of Councillors members Shoji Motooka and Tetsuo Kitamura quit the party last week.

The legislators belonged to the SDP's now defunct New Democratic League, a secessionist group headed by Yamahana that tried in vain to create a third political party to compete against the Liberal Democratic Party, a dominant partner in the tripartite ruling coalition, and against the main opposition party Shinshinto (New Frontier Party).

Further Reports on Aum Cult Leader Asahara

Refuses To Speak to Police

OW1905063895 Tokyo KYODO in English
0625 GMT 19 May 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Shoko Asahara, leader of the religious sect Aum Shinrikyo arrested on suspicion of masterminding the March 20 Tokyo subway gas attack, has refused to talk to police, saying only he will clarify matters in court, police sources said Friday.

Police arrested Asahara, 40, Tuesday on suspicion of murder and attempted murder in the attack with sarin nerve gas in which 12 people died and more than 5,000 others were injured.

The sources said Asahara is refusing to answer questions related to his alleged involvement in the gas attack but is engaging in small talk with his interrogators and has even told them they remind him of detectives in popular television dramas.

Doctors report Asahara is in good health, the sources said, despite reports before his arrest that he was ill.

On Thursday, the Tokyo district court allowed prosecutors to detain Asahara, whose real name is Chizuo Matsumoto, for 10 days for questioning. Prosecutors can detain Asahara for up to 20 days.

Also Friday, Japan Federation of Bar Associations President Koken Tsuchiya told reporters in Morioka, Iwate Prefecture, that the association is compiling a list of lawyers who can represent Asahara in the event that no lawyer offers to take on the case and one has to be designated by the state.

On Wednesday, lawyer Makoto Endo, who has in the past pleaded for Yakuza crime syndicates, said Asahara asked him to be his lawyer, but he refused because he was not convinced of "a 150 percent chance of innocence."

In other developments Friday, police sources said Takeshi Matsumoto, 29, arrested Thursday on suspicion of leading several Aum members in abducting a Tokyo notary clerk, has said that while on the run from police he was in Kyoto and Osaka as well as Aichi and Gifu Prefectures, and returned to Tokyo a week before his arrest.

After the kidnapping of the notary clerk, Kiyoshi Kariya, 68, police launched extensive operations against Aum two days after the sarin attack on the Tokyo subways.

Matsumoto is refusing to answer interrogators about his alleged involvement in the kidnapping but has admitted to undergoing surgery to alter his jaw and eyes at a hideout in Ishikawa Prefecture, central Japan, performed by Ikuo Hayashi, 48, a doctor who headed Aum's "treatment ministry," according to investigators.

The sources said Matsumoto also admitted receiving 1 million yen from Hayashi to cover expenses while on the run. Hayashi was arrested April 8 for allegedly hiding an Aum suspect.

They said Matsumoto has told police that an operation to remove his fingerprints was conducted without his knowledge in a cult facility at the village of Kamikuishiki at the foot of Mt. Fuji, west of Tokyo.

Matsumoto said skin from his arms was transplanted to the tips of his fingers and that when he woke from the anesthetic, he realized that his fingerprints had been removed, the sources said.

In Nagano, central Japan, police sources said sarin used in the June 1994 attack on a residential district of Matsumoto, Nagano Prefecture, was of inferior quality and included impurities.

Their analysis suggests that the chemicals used were impure apparently because the manufacturer had an inferior production technique, the sources said.

Based on the analysis, police suspect the sarin may have been a test product made by Aum, they said.

Also Friday, police said they sent documents to prosecutors in connection with the alleged involvement of Aum's top chemist Masami Tsuchiya, 30, and two other Aum members, in the subway attack.

Tsuchiya has told police he made the sarin used in the subway attack and in the Matsumoto case at his laboratory at Kamikuishiki, Yamanashi Prefecture, according to police sources. Tsuchiya was apprehended for the subway attack on the same charges as Asahara.

In Matsumoto, some 350 kilometers northwest of Tokyo, sarin was released in a residential area June 27 last year, killing seven people. No suspects have been arrested in the case.

Meanwhile, Yamanashi Gov. Ken Amano met Education Minister Kaoru Yosano on Friday afternoon and reiterated his request for the dissolution of Aum as a registered religious body.

Yosano has said the Tokyo metropolitan government, which has jurisdiction over the sect, should seek a court order to have the group dissolved immediately after its leader is indicted.

At a Friday morning news conference, Yosano expressed the hope that the court would deal with such a request promptly.

Yamanashi Prefecture and two municipal bodies at the foot of Mt. Fuji — Kamikuishiki and the town of Tomizawa, in which Aum facilities are located — have asked the metropolitan government to apply for a court order to dissolve the group.

Meanwhile, Defense Agency chief Tokuichiro Tamazawa told reporters Friday that a Ground Self-Defense Force (GSDF) officer will be severely punished for giving a senior Aum member last fall a textbook on protection against poison gas, radioactivity and biological weapons.

The GSDF said Thursday the officer, a 38-year-old first lieutenant in an antitank helicopter corps based in Hachinohe, Aomori Prefecture, gave the book to Yoshihiro Inoue, 25, Aum's intelligence unit chief who has been arrested in connection with the gas attack on Tokyo subways.

Visit to Russian Military Base

OW1905112295 Tokyo KYODO in English
1056 GMT 19 May 95

[FBIS Transcribed Text] Moscow, May 19 KYODO — Shoko Asahara, the supreme leader of the religious cult Aum Shinrikyo suspected of masterminding the March 20 sarin gas attack on Tokyo subways, inspected a military base near Moscow in the summer of 1993, Russian military sources said Friday [19 May].

Asahara, who was arrested Tuesday on suspicion of murder and attempted murder in the attack, visited Kantemirovskiy base on the outskirts of Moscow together with a number of followers and met with a number of Russian military officials there for talks, the sources said.

The cult leader also inspected exercise grounds and facilities within the base compound, the sources said.

When handed a kalashnikov automatic rifle, a triumphant smile crossed Asahara's face, they said.

However, the sources pointed out that not only Asahara and his followers, but "many" other foreigners were also given access to the base.

A Russian diplomatic source confirmed that "for money the military there is letting in outsiders regardless of whether they are visiting officially or on a private trip."

The Kantemirovskiy Division participated in quelling the hardline communist-led armed uprising aimed at toppling Russian President Boris Yeltsin in October

1993. Its tanks were among those blasting holes in the parliament building where the leadership of the rebellion was holed up.

The division, which is said to rank among Russia's best, is also fighting in Russia's war against the secessionist Russian Republic of Chechnya.

Other high-ranking Aum officials are known to have frequently traveled to Russia, where the group claims to have some 30,000 followers.

Investigators have found that the cult purchased a military helicopter in Russia and showed strong interest in Russian arms, including nuclear warheads, possibly with a view to the procurement of a larger amount of weapons, investigation sources said.

The Russian Justice Ministry canceled the legal registration of Aum's Moscow branch after Japanese police began raids on the sect's facilities in Japan on March 22.

A Moscow district court last month banned the group from conducting activities in Russia and ordered the cult to pay compensation of 20 billion rubles to a group representing families of some of its followers.

The sect has appealed the ruling to a higher court.

In the Tokyo subway attack, 12 people were killed and more than 5,000 were made sick.

Mongolia

Foreign Ministry Condemns Chinese Nuclear Test
LD1705135995 Moscow ITAR-TASS World Service
in Russian 1328 GMT 17 May 95

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Translated Text] Ulaanbaatar, 17 May — Mongolia, as a country that borders the People's Republic of China and consequently supports the elimination of nuclear weapons and prohibition of their testing, condemns the powerful nuclear blast carried out by China, says a statement issued for the press by a Mongolian Ministry of Foreign Affairs spokesman.

While other powers have refrained from nuclear testing for the last two years, the document says, China alone has carried out tests four times. The explosion took place shortly after an international conference in New York agreed to prolong the Nuclear Nonproliferation Treaty indefinitely, and at a time when faith in the complete banning of nuclear tests was growing.

North Korea

Commentary Warns of Danger of 'Accidental' War
SK1905023695 Pyongyang Korean Central
Broadcasting Network in Korean
1225 GMT 18 May 95

[NODONG SINMUN 18 May commentary: "We Do Not Beg for Peace"]

[FBIS Translated Text] The bellicose class in the United States are beefing up war maneuvers with each passing day. They are massively reinforcing aggressive troops on and around the Korean peninsula and are staging undisguised war exercises against us.

As has already been reported, the United States recently brought in numerous war equipment, such as planes, tanks, and missiles, under the cloak of the modernization of the U.S. Forces in South Korea. Not long ago, the United States decided to additionally deploy some 130 M-1A1 tanks and M2 combat armored vehicles for infantry troops. Its first shipment arrived in South Korea several days ago. In addition, it is attempting to deploy 150 Abrams tanks by this month and 24 Apache assault helicopters by this year.

In another development, the United States is madly perpetrating war exercises with the South Korean puppets. From 8 May, the U.S. warmongers, in collaboration with the South Korean puppets, are staging large-scale war exercises opposing us by mobilizing massive troops. In areas along the Military Demarcation Line, the South Korean puppets' military provocations continue to take place at the instigation of the United States.

Contacts for the implementation of the DPRK-U.S. agreed framework continue to be held between the United States and us. At such a time, the bellicose class of the United States is clinging to war adventures in order to check the implementation of the DPRK-U.S. agreed framework and to further aggravate the situation on the Korean peninsula.

The United States is now in a state of war with us. It is not difficult to guess what evil effect a hostile opponent will cause in unilateral military action against the other side. Moreover, the nominal armistice watch body ceases to exist between the United States and us due to the systematic destructive maneuvers of the United States. Under such conditions, the United States must be well aware that a war could break out on the Korean peninsula even from a small accidental factor.

The best way to ensure peace in Korea is to replace the armistice agreement with a peace agreement and to establish a new peace mechanism. Herein lies the key

to breaking the prolonged, hostile relations between the DPRK and the United States and ensuring durable peace on the Korean peninsula. Whether or not the United States supports our proposal on establishing a new peace system will show what attitude it has toward war and peace.

Ending the state of military showdown and achieving peace on the Korean peninsula are our consistent position.

We will do our utmost for peace. But we do not have the slightest intention of begging for peace. Our people oppose war but will never show mercy to aggressors who try to encroach upon the dignity of our nation and the sovereignty of our country. We have strong self-defensive power that can reliably safeguard the country's sovereignty and the might of singlehearted unity that can never be shattered by anything.

If the United States continues going along the road of war adventure, ignoring our peace proposal, we cannot but take a due countermeasure.

The United States must renounce its foolish wild dream to crush us militarily.

Appeal Urges 'More Dynamic Anti-U.S. Campaign'
SK1805053495 Pyongyang KCNA in English
0505 GMT 18 May 95

["Appeal of NDFSK Youth and Students Department"
— KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — The Youth and Students Department of the Central Committee of the National Democratic Front of South Korea [NDFSK] published an appeal calling upon the one million students of South Korea to turn out in a more powerful struggle for independence, democracy and reunification, Seoul-based radio Voice of National Salvation said.

The appeal says an immediate task facing the one million students, who have earnestly longed for independence, democracy and reunification, is to do away with the cursed "civilian" dictatorship.

The document calls for ostracising the Kim Yong-sam group, establishing an independent, democratic power, scrapping the "National Security Law," a stumbling-block lying in the way of democracy and reunification, and dismantling all sorts of suppression tools.

A new history of democracy cannot be made without liquidating the leftovers of the dictatorships of the past such as the May 18 Kwangju massacre, it says, and calls for a struggle to defeat the candidates from

the "Democratic Liberal Party" in the "local autonomy elections."

The document says the United States is the root cause of all misfortunes and pains in this land as well as an incarnation of evils, and calls for a more dynamic anti-U.S. campaign for independence, an invariable strategic goal of the movement for changes in South Korea.

It says this is a year in which falls the lapse of 50 years since the division and since the country's liberation from the Japanese imperialist colonial rule, and a year which the 70 million fellow countrymen pledged themselves to make a year of reunification. It calls for a courageous nationwide struggle for reunification in a firm unity with workers, peasants and national democratic movement forces of other strata.

U.S. Plan for New 'Anti-Cuban' Law Decried
SK1905105395 Pyongyang KCNA in English
1048 GMT 19 May 95

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The Central Committee of the General Federation of Trade Unions of Korea, the Central Committee of the League of Socialist Working Youth of Korea and the Korea-Cuba Solidarity Committee issued a joint statement on May 18, denouncing U.S. Congress for scheming to enact a new anti-Cuban law.

The statement says:

U.S. Congress has worked out a "Helms-Burton Bill" and is scheming to pass it in a bid to isolate and stifle Cuba.

The attempt of U.S. Congress to enact another criminal anti-Cuban law following the "Torricelli Act" is an intolerable mockery of the Cuban and other peoples of the world.

This unjustifiable act shows that the United States is sticking to the policy of "strength," a leftover of the Cold War era.

We bitterly denounce this sinister scheme of U.S. Congress as an open infringement on the rights of the Cuban people to independence and existence and a wanton violation of the resolutions of the UN General Assembly, international law and obligations on respect for sovereignty of independent states, non-interference in others' internal affairs and no use of strength and economic pressure.

We strongly demand that all the anti-Cuban measures be renounced immediately.

If the United States enacts a new anachronistic anti-Cuban law, ignoring the just demand of the world public

for repeal of anti-Cuban blockade, it will meet stronger protests and criticism from the peoples of the world as well as the Cuban people.

No blockade against Cuba can break the will of the Cuban people to defend the sovereignty of the country and the dignity of the nation and safeguard the gains of socialism to the end.

We will extend firm solidarity as ever with the Cuban people in the just cause of defending the motherland, the revolution and the gains of socialism under the banner of anti-imperialism, independence and peace.

U.S.-ROK 15-16 May Military Moves 'Foolish'

*SK1805045495 Pyongyang KCNA in English
0444 GMT 18 May 95*

["Adventurous War Games Against the North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — The U.S. imperialist warmongers on Tuesday staged joint air strike exercises against the northern half of Korea with the South Korean puppets, military sources said.

Involved in the exercises were scores of overseas-based fighter-bombers and pursuit-assault planes and over 470 fighter-bombers, assault planes and reconnaissance planes belonging to the U.S. Seventh Air Force in South Korea and the puppet air force.

On the 15th and 16th, the puppets waged an airlifting operation exercise simulating an infiltration into the depth of the North, letting 50 odd transport helicopters fly in the skies above the western and central sectors of the front.

And heavy tank and 105 mm artillery groups of the puppet army fired shells in direction of areas adjacent to the demilitarized zone.

In the western sector of the front, the puppet army's infantry units fired about 1,000 large-calibre machinegun bullets, advancing toward the DMZ area along the Military Demarcation Line with the support of armoured vehicles and helicopter gunboats.

The puppets also introduced 90 mm recoilless guns into the DMZ in the eastern and central sectors of the front.

If the U.S. imperialists and the South Korean puppets continue foolish military moves to threaten the North in the forefront, they will meet a miserable fate.

ROK Brings Military Vehicles Into DMZ 17 May

*SK1905044895 Pyongyang KCNA in English
0420 GMT 19 May 95*

["Provocation in DMZ" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The South Korean puppets on Wednesday brought over 300 armed bandits into the Demilitarized Zone in the eastern and central sectors of the front to stage an offensive operation against the North and illegally sent more than 30 military vehicles fully loaded with various lethal equipment to the MP posts in the central sector of the front, according to military sources.

Over 350 military vehicles were brought into the DMZ in the central, western and eastern sectors of the front that day.

The fact shows that the war frenzy of the Kim Yong-sam clique is becoming extreme.

Talk Denounces South's 'War Provocations'

*SK1705213695 Pyongyang Korean Central
Broadcasting Network in Korean
0652 GMT 17 May 95*

[Talk by station reporters Chong Song-kang and Yi In-chun: "The Kim Yong-sam Puppet Clique Is Driving the Situation to the Brink of War"]

[FBIS Translated Text] [Yi In-chun] How are you?

[Chong Song-kang] How are you?

[Yi] These days, the Kim Yong-sam puppet clique is continuing to move toward the road of war provocations by challenging the nation's desire for reunification, thus driving the situation to the brink of war. We will talk about this now.

[Chong] Yes, let's do. As already reported, recently a fellow named Yi Yang-ho, South Korea's puppet defense minister, visited the puppet military units and once again babbled that they should maintain a thorough alertness, that they should strengthen military preparedness, and so on. This clearly shows that the Kim Yong-sam puppet clique is continuing to instill a war fever within the puppet army and is endlessly intensifying a tense military situation on the Korean peninsula.

As you know, while visiting the puppet Army, Navy, and Air Force Academies in March, the Kim Yong-sam puppet clique uttered wild war words, such as some kind of punishment and warning one after another. In early April, it made a very bellicose special order to all the puppet units to be in complete combat readiness.

At the same time, is it not an already known fact that the puppets held a large-scale joint military exercise to make a surprise attack on the northern half of our Republic by mobilizing an 80,000-strong force? This is the source of aggravating North-South relations to the utmost and intensifying a tense situation on the Korean peninsula. Nevertheless, for the fellow Yi Yang-ho to make absurd remarks that signs of abnormal indications of military activities by someone were discovered on the Military Demarcation Line [MDL] is indeed brazen-faced.

We can say that such speech and behavior by the South Korean puppets is nothing but a dirty trick to justify their crime of continuously holding various provocative war exercises, not only along the MDL, but throughout South Korea, opposing their fellow countrymen.

[Yi] Yes, that is so. What cannot be overlooked is the fact that the South Korean warmongers are on the one side uttering wild war words, while on the other side they are endlessly holding frenzied war exercises opposing our northern half of the Republic. As you know, the South Korean puppet air force held large-scale offensive formation exercises day and night in the skies over the midwestern area of the front line from 28 April to 2 May.

The South Korean warmongers wholly mobilized the puppet air force pursuit planes including F-16s, F-4s, and AE-37s in that aerial war exercise, thus they committed aerial bombing on some 300 occasions, which is an unprecedented war frenzy.

By holding large-scale puppet air force training in parallel with the puppet ground army tactics, the South Korean puppet warmongers openly revealed the danger of an all-out war. While holding the powder-reeking air force exercise to invade the North, what the South Korean puppets said was that they can reduce to ashes the region of the northern half of the Republic in case of an emergency on the Korean peninsula, that they can gain control over it from the beginning, and so on. They recklessly babbled about such extreme war commotions.

[Chong] Due to the war frenzy by the South Korean puppets, which has reached an extreme point, to make a surprise attack on the northern half of the Republic, the situation on the Korean peninsula is currently once again running toward an all-out confrontation phase. From 8 May, along with the U.S. imperialists, the South Korean puppets have been holding a large-scale war exercise to invade the North in place of the Team Spirit joint military exercise, and in October they are planning and are accelerating preparations to hold a large-scale war exercise to invade the North by mobilizing a

120,000-strong force of the Army, Navy, and Air Force, including the puppet army's two corps.

The South Korean puppets' planned and intentional war exercise commotion is an open infringement of our Republic's sovereign right and a very dangerous military provocation that can bring about an irrevocable violent collision between the North and South. This cannot be tolerated by any means.

Such reckless war commotions openly show that the Kim Yong-sam puppet clique is trying to find its position, which has been driven into a wall because [words indistinct] through North-South confrontation and the road of war provocation, and is all the more clinging to military adventure.

[Yi] The graveness of this problem lies in the fact that at the current time when implementation of the DPRK-U.S. agreed framework is experiencing serious difficulties, the Kim Yong-sam ring is continuing the adventurous war exercise that instills war fever on a large scale. These days, the Kim Yong-sam puppet traitor is openly saying that the Geneva agreement has been a mistake from the beginning and that the structure of nuclear negotiations between the DPRK and the United States in which there is no North-South dialogue must be broken.

This is to block the DPRK-U.S. negotiations and aggravate North-South confrontation, revealing the wickedness of realizing the ambition of reunification through victory over communism by force of arms. Even though they cherish in their hearts the knife to harm us, they are talking about dialogue with us. Is it not such a crafty act by the Kim Yong-sam puppets that is surprising the people?

[Chong] Yes, that is so. The pretext of dialogue which the South Korean puppets are putting forth is ultimately nothing but camouflage to hide their reckless maneuver of a new war provocation. As it has been brought to light that this is false, there is no longer any justification for the South Korean puppets to come forth with the pretext of dialogue. While uttering wild words of some kind of scorched-earth tactics and annihilation, the situation is being driven toward the brink of war. There is no guarantee that such reckless military moves by the South Korean Kim Yong-sam warmongers will not lead to a new war provocation.

We must be fully prepared and are acutely observing the South Korean puppets' maneuver of a new war provocation. We are possessed with the might of single-hearted unity and one-is-a-match-for-100 revolutionary Armed Forces equipped with both up-to-date offensive means and defensive means.

If the South Korean Kim Yong-sam puppets light the fuse of war without fail, regardless of our repeated warning, we will impose thousand-fold punishment to the war provocateurs. Our decision to deal fire with fire will bring about a tragic end to the South Korean puppets who are running amok recklessly like a new born puppy knowing no fear of a tiger.

Kim Yong-sam 'Slandering' of DPRK Denounced

NODONG SINMUN Comments

*SK1905104095 Pyongyang KCNA in English
1034 GMT 19 May 95*

["Traitor's Confrontation Racket" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The traitor Kim Yong-sam is taking the lead in slandering the North. Commenting on this, NODONG SINMUN today brands this as a racket reflecting uneasiness and irritation of those driven into a corner, rejected by the entire fellow countrymen, for their crimes at home and abroad. This is an attempt to affect in advance his U.S. master's attitude at the DPRK-U.S. political talks on light water reactors by hurling abuses at the North.

The traitor Kim Yong-sam in an interview with and talk to foreign pressmen some time ago repeated the old tone, claiming that the "North's policy hostile to the South" is a "factor obstructing the improvement of the South-North relations." Not content with this, he let loose a string of very malicious and provocative outcries. He even abused the North's system, talking about "reform and opening".

The analyst goes on:

The false and provocative utterances of the traitor Kim Yong-sam are an unpardonable challenge to the North which is making all possible efforts for peace of the country and its peaceful reunification. We cannot remain an onlooker to this and will never pardon him.

If he truly wants to improve the North-South relations, he must abolish the notorious "National Security Law," which blocks them, and pull down the concrete wall, a symbol of division and confrontation, before anything else.

Clear is the answer to the behaviour of the traitor Kim Yong-sam. The Kim Yong-sam group challenging the desire of the nation for reunification and going against the trend of the time should be overthrown resolutely with the concerted struggle of the nation.

MINJU CHOSON in a commentary says the reckless outcries and vicious scheme of the traitor Kim Yong-sam can never be pardoned. The traitor, who is like

a cancer, must be removed as soon as possible, the commentary notes.

KCNA Comments

*SK1905045395 Pyongyang KCNA in English
0428 GMT 19 May 95*

["Foolish Attempt of Mad Man" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The traitor Kim Yong-sam is taking the lead in slandering the North with provocative, high-handed remarks these days.

On Monday he made remarks such as "human rights of the North," "the North's system" and "the nuclear issue of the North" at the "opening ceremony of the Seoul conference of the International Press Institute."

He is hurling abuses at the North in a foolish attempt to cover up their miserable plight caused by isolation and rejection at home and abroad and affect in advance the United States' attitude at the DPRK-U.S. political talks on light water reactors to attain their insidious political purpose at any cost.

We are watching the traitor Kim Yong-sam who takes the lead in slandering the fellow countrymen in the North, and we cannot but refute his remarks.

Our socialist system centred on the masses is the most advantageous system which guarantees harmonious and happy life of the entire people.

In fact, it is South Korea that has grave and serious problems of human rights and nuclear issue and it is none other than the Kim Yong-sam group who has brought politics, the economy and all other domains of society under a catastrophic situation.

We can never pardon the traitor Kim Yong-sam who keeps mum about his defects and continues to provoke us by groundlessly distorting the facts.

The North-South relations have become worst and the door of dialogue has been closed. The situation of the Korean peninsula is growing extremely tense and the implementation of the DPRK-U.S. framework agreement is in an impasse. These are attributable to the repeated provocative remarks and criminal moves of the traitor Kim Yong-sam.

It is as clear as noonday that with the traitor Kim Yong-sam none of the problems in the North-South relations can be solved, to say nothing of the internal affairs of South Korea.

The point is to overthrow Kim Yong-sam, a trouble-maker against national reconciliation and unity and the

reunification of the country. This is the way of improving North-South relations and pulling down the wall of division.

ROK Urged To 'Struggle' Against Nuclear Dump

SK1905052595 Pyongyang KCNA in English
0443 GMT 19 May 95

["Struggle Against Project of Nuclear Waste Repository Called For" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The propaganda department of the Central Committee of the National Democratic Front of South Korea on May 15 called upon the population in Incheon, Seoul and Kyonggi Province to remove the traitor Kim Yong-sam who is trying to build a nuclear waste repository in Kurop Islet, the Seoul-based radio Voice of National Salvation reported.

The appeal said that the life of the 20 million people in the Seoul-Inchon area is at stake due to the projected building of the nuclear waste repository in Kurop Islet by the heinous "civilian"-veiled traitorous group.

The present situation decisive of life and death calls for a vigorous struggle of the people in this area, it said, and noted: The struggle against the building of the nuclear waste repository in Kurop Islet is their own struggle for themselves. This struggle should be developed into the struggle against Kim Yong-sam and into the struggle for democracy against dictatorship.

This struggle, it stated, must be combined closely with the campaign for defeating the "Democratic Liberal Party" in the imminent "local autonomy elections" and thus end in victory.

It called upon the inhabitants in Incheon, Seoul and Kyonggi Province to take an active part in the struggle against the projected building of the nuclear waste repository in Kurop Islet, overthrow Kim Yong-sam's "civilian" dictatorial regime which threatens our life and establish an independent and democratic government which will defend our life.

KCNA Reports on Union Strikes in South

SK1905051495 Pyongyang KCNA in English
0431 GMT 19 May 95

["S. Korean Workers' Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — Over 52,000 unionists of Telecommunication Co. in South Korea called extraordinary meetings at their branches on Wednesday and declared an indefinite struggle, a radio report from Seoul said.

They declared that they would go on a total strike unless the company responds to negotiations, refusing to repeal its decided heavy punishment of 60 odd union leaders, and continue the struggle until their demand is met.

Meanwhile, workers at the Ulsan factory of the Hyundai Motor Company went on total strike on May 17 after they began the struggle on May 13 with the attempt of their colleague, Yang Pong-su to burn himself to death as an occasion. He attempted the suicide in protest against the unreasonable dismissal of the company side.

Hyonchongnyon, a federation of trade unions of companies under Hyundai Business Group in Ulsan, South Kyongsang Province, decided to wage a struggle of solidarity with the workers of the factories affiliated with it.

More on Telecom Union Protests

SK1805051095 Pyongyang KCNA in English
0440 GMT 18 May 95

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — An estimated 5,000 unionists of the Telecommunication Co. in the Seoul and Incheon area held a rally in Seoul on Tuesday [16 May] in protest against the decision of the company to severely punish over 60 union leaders, a radio report from Seoul said.

The ralliers demanded an immediate repeal of the decision.

Meanwhile, unionists of local branches of the company across South Korea went on sit-in strike for an indefinite period.

On Wednesday, over 52,000 union members of the company in different areas of South Korea called extraordinary meetings at their branches and discussed the action programme.

Reportage on 1980 Kwangju Incident Anniversary

People 'Resolutely Struggle' for Truth

SK1905105895 Pyongyang KCNA in English
1052 GMT 19 May 95

["S. Korean People Will Struggle Till Kwangju Problem Be Solved" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea (NDFS), said that the South Korean people curse main culprits of the Kwangju incident and Kim Yong-sam, who defends them. They will resolutely struggle for probe into truth behind Kwangju incident till the Kwangju problem is completely solved, he stated.

He in an interview with KCNA on May 18 mentioned the South Korean people's opinion in connection with the probe into truth behind the Kwangju massacre committed by the Chon Tu-hwan-No Tae-u military fascist group 15 years ago.

He told KCNA:

"When he took office, Kim Yong-sam promised that he would probe the truth behind the Kwangju massacre and punish its main culprits. However, he threw away his "commitment" and is trying to bury the Kwangju problem in darkness, talking about "etiquette" for them and "judgement by history." [quote marks as received]

"It is natural to punish Chon Tu-hwan and No Tae-u as the murderers of Kwangju.

"The U.S. is the mastermind of the Kwangju incident. The U.S. imperialists cannot escape from their responsibility.

"The Kwangju incident is a product of the colonial fascist rule of the U.S. imperialists over South Korea. That is why the South Korean people completely changed their viewpoint toward the U.S. after the Kwangju incident and they are upholding the banner of the anti-U.S. struggle. [no end quote marks as received]

The fascist rule must be abolished and democracy be achieved in South Korea, and the U.S. imperialists' colonial domination of South Korea be terminated for the probe into the truth of the Kwangju incident.

Yi Chong-ok, Others at Pyongyang Rally

SK1805002695 *Pyongyang Korean Central Broadcasting Network in Korean*
2200 GMT 17 May 95

[FBIS Translated Excerpt] A mass rally in Pyongyang marking the 15th anniversary of the heroic popular uprising in Kwangju was held at the Pyongyang Gymnasium on 17 May.

The meeting place was filled with about 10,000 workers from various walks of life, youths, and students in Pyongyang who came with a noble sense of respect for, and firm solidarity with, those in the popular uprising in Kwangju 15 years ago who dealt a severe blow to the colonial fascist rule of the U.S. imperialists and their stooges by engaging in the popular death-defying resistance that opened a new phase in the South Korean people's anti-U.S., pro-independence struggle. The attendants felt a surging sense of indignation and hatred against the murderous scoundrels who turned Kwangju into a sea of blood by their unprecedented atrocity.

Placed in front of the meeting place was a portrait of the great leader of our party and people Comrade Kim Il-song. Also placed there were such slogans as "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers Party of Korea [WPK]!"

Also placed at the meeting place were such slogans as "Let us achieve reunification in the 1990's by all means under the leadership of the great leader [yongdoja] of the nation General Kim Chong-il!" "Punish the murderers who turned Kwangju into a sea of blood!" "Let us, the entire nation, unite to thoroughly smash the maneuvers to provoke a new war by the U.S. imperialists and the Kim Yong-sam ring!" and "Let us further enrich our country, our fatherland, which the great leader regained, by accelerating the work of imbuing the entire society with the chuche idea!" Also placed there were picture boards that showed our people's desire and will for reunification.

On hand at the platform were Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Kim Yong-sun, secretary of the WPK Central Committee; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; Mrs. Yu Mi-yong, chairman of the Central Committee of the Chondoist Chongu Party; Kang Hyon-su, responsible official of the Pyongyang municipal party committee and chairman of the Pyongyang Municipal People's Committee; Yo Yon-ku, member of the Presidium of the Central Committee of the Democratic Front for the Reunification of Fatherland; Choe Song-suk, chairman of the Central Committee of the Union of Agricultural Working People of Korea; Paek In-chun, chairman of the North Side Headquarters of the Pominnyon [the National Alliance for the Country's Reunification] and chairman of the Central Committee of the General Federation of Unions of Literature and Arts of Korea; Kim Yong-ho, vice chairman of the Central Committee of the Korean Social Democratic Party; Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland; Kang Yong-sop, chairman of the Central Committee of the Korean Christians Federation; Pak Tae-ho, chairman of the Central Committee of the Korean Buddhists Federation and a high priest; Chang Chae-chol, chairman of the Central Committee of the Korean Roman Catholics Association; Kang Tae-mu, director of the Secretariat of the Consultative Council of Former South Korean

Politicians in the North for the Promotion of Peaceful Reunification; responsible functionaries of social organizations; university presidents and college deans; labor heroes; and labor innovators. Yi Chong-sang, representative of the mission of the Hanminjon [the South Korean National Democratic Front] in Pyongyang also appeared at the platform. [passage omitted]

ROK Groups Favor Investigation

SK1905051595 *Pyongyang KCNA in English*
0435 GMT 19 May 95

["Probe Into Truth Behind Kwangju Incident Urged" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The opposition Democratic Party of South Korea issued a statement on Wednesday on the lapse of 15 years since the Kwangju popular uprising, in which it demanded a thoroughgoing investigation into the illegal quelling of the uprising, according to a radio report from Seoul.

The statement said that the investigation should not be concluded without punishment of those concerned as it was done concerning the case of the "December 12, 1979, incident".

The Bar Association of South Korea, too, published a statement urging the authorities to solemnly prove before history and the people the truth behind the May 18 incident and institute strict proceedings.

If they hush up this incident as they did the "December 12 incident", it will be an act of going against the people's desire and justice of history cannot be realized, it warned.

The National Council of Christian Churches of South Korea said in a recommendation to ex-"president" Choe Kyu-ha that it is necessary to fully disclose the deeds of the criminals in the uprising. It urged him to testify to the historical truth behind the coup of the preceding military dictatorial forces including traitors Chon Tu-hwan and No Tae-u.

ROK Blocking of Reunification Festival Decried

SK1905051095 *Pyongyang KCNA in English*
0454 GMT 19 May 95

["Criminal Scheme To Block Grand Reunification Festival" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The Kim Yong-sam group at a "meeting of cabinet ministers related to reunification and security" on May 16 decided not to allow the Panmunjom North-South joint rally and other pro-reunification functions which

the public organisations and personages of South Korea plan to hold around August 15.

NODONG SINMUN today in a bylined commentary titled "It Deserves Punishment and Overthrow by Nation" says:

We bitterly denounce the Kim Yong-sam group's decision to block the grand reunification festival as a vicious challenge to the unanimous desire of the Koreans in the North, the South and overseas for reunification and as a heinous criminal scheme to perpetuate the division of the nation.

The ongoing frantic anti-reunification campaign of the Kim Yong-sam group is aimed at preventing the North's proposal for North-South joint celebration of the 50th anniversary of national liberation and its positive efforts for it from influencing South Korea. It is also aimed at blocking in advance the sentiments for reunification through collaboration with communism and the North and the massive reunification movement from growing stronger on the occasion of August 15 so as to prop up the shaking "government."

The Kim Yong-sam puppet clique is forsaken by the nation and is afraid of the people. That is why it is trying to block the representatives of the nation from getting together and holding a grand reunification festival.

The nation must punish and overthrow the Kim Yong-sam group which is engaged in treacheries against the desire of the nation and the people. Our nation will never pardon the crimes of the Kim Yong-sam group but punish it.

A news analyst of MINJU CHOSON demands that the Kim Yong-sam group immediately cancel the anti-reunification measure it took recently.

Reunification 'Picture Exhibition' Held in Seoul

SK1905100795 *Pyongyang KCNA in English*
1001 GMT 19 May 95

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — A "Reunification Picture Exhibition" took place at the Sejong House of Culture in Seoul, South Korea, from May 11 to 14 on the occasion of the 50th anniversary of the liberation of the country, according to a report.

The exhibition was held under the sponsorship of the National Reunification Council.

Among the exhibits were "Peak of Ten Thousand Forms", "A Crane and a Pine Tree", "Changsu Peak in Spring", "Chipson Peak of Mt. Kumgang" and so on, painted by artists of the northern half of the republic, and they drew attention of the visitors.

ROK Preparatory Committee for 15 Aug Functions*SK1905103795 Pyongyang KCNA in English
1029 GMT 19 May 95*

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The Preparatory Committee for the August 15 functions common to the nation was reportedly inaugurated at Yonsei University in Seoul in April with an attendance of over 3,000 members from 140 dissident and public organizations. Among the organizations were the National Council for the Independent and Peaceful Reunification, the Federation of Women's Organizations, the Preparatory Committee for the General Federation of Democratic Trade Unions and the Bar Association for Democratic Society.

In its declaration the Preparatory Committee urged the authorities to promptly abrogate the "laws" and "institutions" including the "National Security Law" which are obstructive to reunification.

The committee also made public an "address to the fellow countrymen in the North and overseas" in which it proposed to hold working-level talks in a third country within May for the preparations of the August 15 joint functions of the nation as well as to have a grand seminar on reunification in Panmunjom on August 14.

Disarmament Institute Official Meets PRC Group*SK1805052495 Pyongyang KCNA in English
0436 GMT 18 May 95*

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — A delegation of the Chinese Institute of International Studies headed by Director Yang Chengxu arrived in Pyongyang on Wednesday.

The delegation was met at the airport by the acting director of the Disarmament and Peace Institute of the Democratic People's Republic of Korea and the Chinese ambassador to the DPRK.

PRC, Finnish Groups Visit Kim Il-song Statue*SK1805051395 Pyongyang KCNA in English
0438 GMT 18 May 95*

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — A Qinghai provincial friendship delegation of China, a delegation of the Guandian Huaen Trading Company of the Liaoning Provincial Industrial and Commercial Bank of China, a Finnish delegation for the study of the *chuche* idea and a delegation of the Chinese Institute of International Studies visited the statue of the great leader President Kim Il-song standing on Mansu Hill here to pay homage to him.

They laid floral baskets and bouquets before the statue and made a bow.

Liu Rongcheng, head of the Qinghai Provincial Friendship Delegation of China, said that though President Kim Il-song passed away he always lives in the hearts of the Chinese people as well as the Korean people.

"We will make all possible efforts to further strengthen and develop the Sino-Korean friendship sealed in blood," he said.

Foreign Media Oppose Extension of NPT*SK1805224095 Pyongyang KCNA in English
1508 GMT 18 May 95*

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — A decision on indefinite extension of the Non-Proliferation Treaty (NPT) was adopted at a conference recently held in New York. It is being denounced and rejected by different countries.

The Swedish paper DAGENS NYHETER on May 13 said in its commentary, "It is unfair that the five nuclear powers are allowed to possess nuclear weapons forever while the other countries are not."

Egyptian Foreign Minister 'Amr Musa said that many nations including Arab countries are opposed to the indefinite extension of the NPT.

Egypt cannot support the recognition of the NPT unless Israel enters the treaty, he stressed.

The spokesman of the Foreign Ministry of India noted at a press interview on May 11 that the indefinite extension of the treaty only allows continuation of its discriminating nature and gives legitimacy to the nuclear storages of nuclear powers.

India will not sign the present type of the treaty but will continue to strive to achieve the target of real non-proliferation through abolition of all sorts of nuclear weapons, he added.

The Yemeni paper AL THAORAH reported that the Arab and Islamic countries expressed their regret over the conference which adopted the decision without taking decisive steps against Israel that is seriously threatening peace and security in the Middle East with a nuclear (?storage.) Just and comprehensive peace in this region cannot be realized as long as there exist nuclear facilities of Israel from supervision and sanction of the International Atomic energy Agency, stressed the paper.

The Syrian paper said in its editorial that the New York conference failed to realize the universal nature of the treaty. It denied the double standard policy of the conference.

THE NEW YORK TIMES on May 12 reported that after the adoption of the decision on extension of the

treaty about 10 countries made speeches critical of the decision, and developing countries took skeptical stands toward the commitment of the conference.

THE WASHINGTON POST exposed that the adoption of the decision was a result of a month-long steady pressure, appeasement and persuasion of the disarmament diplomat of the U.S. Administration since the conference was opened.

Chongnyon Head To Glorify 'Kim Il-song's Nation'

SK1905102495 *Pyongyang KCNA in English*
1014 GMT 19 May 95

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — Choe Pyong-cho, vice-chairman of the Central Standing Committee of the General Association of the Korean Residents in Japan (Chongnyon) staying in the socialist homeland, resolved to glorify the dignity and honor of Kim Il-song's nation in an interview with KCNA in connection with the calls of the Central Committee of the Workers' Party of Korea published on the occasion of the 50th anniversary of its foundation.

He said that the call is a militant banner for the Korean nation with respected general Kim Chong-il as the great leader to advance the Korean revolution to a new higher stage, firmly united around him.

It is the first duty and obligation of the Chongnyon officials and compatriots in Japan to carry out the behests of the great leader Comrade Kim Il-song, the benefactor of national rebirth and destiny of the nation, he added.

He said that as long as it has Chongnyon which Comrade Kim Il-song founded and led and the Koreans in Japan cherishing the honor of Kim Il-song's nation, the movement of the Koreans in Japan will advance along the road of chuche forever and uphold respected general Kim Chong-il for all ages, true to the behests of Comrade Kim Il-song.

"We regret that we cannot acclaim Comrade Kim Il-song in the square of reunification," he said. "We will struggle with our all efforts to accelerate the day when we will have General Kim Chong-il in the square of reunification and hail reunification."

'Reverence' for Kim Il-song, Kim Chong-il in ROK

SK1905103495 *Pyongyang KCNA in English*
1020 GMT 19 May 95

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — The feelings of reverence for the great leader President Kim Il-song and the great leader Comrade Kim Chong-il are growing among South Korean people, ac-

cording to the Seoul-based radio Voice of National Salvation quoting the information of the Seoul Municipal, Incheon City and South Korean Kangwon Provincial Committees of the National Democratic Front of South Korea (NDFSK).

Pak Ki-sok residing in Songdong District, Seoul, told his fellows:

Travelling abroad I felt that the voices of praising the North, the greatness of President Kim Il-song and the leader Kim Chong-il in particular, were louder than what I had been told in this land.

Foreign people were highly respecting and revering President Kim Il-song and the leader Kim Chong-il.

When I went to Madagascar, people there were hanging in humble reverence their portraits in their houses and office rooms and some people were wearing badges of the president's portrait.

Indeed, national pride surged up of its own accord.

It is really a good fortune of the 70 million fellow countrymen to have two great men in one century.

Kim Yong-kuk, an official of a trading company in Incheon, debating on the situation with his fellows, said:

I could witness people's reverence for the great leader Kim Chong-il in European, Asian and African countries.

Each time I keenly felt the pride of the Tangun nation in holding the great leader Kim Chong-il in high esteem at the head of our nation and understood once again that the greatness of a nation depends on the greatness of an outstanding leader.

It is clear that there are national reunification and the eternal prosperity of the nation on the road of believing and following the leader Kim Chong-il as the saviour of the nation.

A Private First Class Kim of the South Korean puppet army, when he went to his native village in Sokcho city, told his old friends: Soldiers of my unit near the forefront sing songs revering General Kim Chong-il. Soldiers in the first line tell legendary stories about him, calling him an invincible famous general.

Editorial Stresses Army-People Unity

SK1705084395 *Pyongyang MINJU CHOSON*
in Korean 22 Apr 95 p 1

[Editorial: "Let Us More Highly Display the Traditional Beautiful Virtue of Army-People Unity"]

[FBIS Translated Text] In our country today, the noble beautiful virtue of the Army and the people loving

and helping one another is given full play on a new, higher plane under the wise leadership of the respected and beloved supreme commander Comrade Kim Chong-il. We should bring the traditional, beautiful virtue of army-people unity into fuller bloom in conformity with the demand of the prevailing situation in which the revolution and construction are deepened and developed.

The great leader Comrade Kim Chong-il has noted: We must give full play to the traditional virtue of army-people unity.

Army-people unity is a traditional, beautiful virtue which was created in the era of the stern anti-Japanese revolutionary struggle and firmly inherited with the advance of our revolution.

The great leader Comrade Kim Il-song put forth and embodied an original idea on army-people unity as early as the initial building period of our revolutionary armed forces, thus creating a brilliant example of army-people relations. The traditional, beautiful virtue of army-people unity was brilliantly inherited during the period of building a new society after the national liberation and during the great fatherland liberation war when the destiny of the fatherland was at stake. The beautiful virtue was further displayed in the grand struggle for socialist construction, and the army and the people respecting, loving, and helping one another in firm unity with each other has become a social ethos today.

To bring into fuller bloom the traditional, beautiful virtue of army-people unity which has been inherited continuously, and highly displayed through the annals of our revolution, is a mighty guarantee to resolutely protect and adhere to our-style socialism.

The wholehearted unity between the Army and the people is the source of the invincible might of our-style socialism. When the Army and the people wage a struggle in firm unity between them, centered around the great leader, we can successfully advance the cause of socialism, overcoming difficulties and trials and can be ever-victorious at war with any powerful, imperialist enemy. Today, although the imperialists are viciously perpetrating antisocialist, anti-DPRK maneuvers, socialism is winning victory after victory, and this is because we have the unity between the Army and the people centered around the great leader. Because all the people treasure and love the People's Army like their own children and brothers and actively support and encourage them materially and spiritually, our People's Army is displaying its proud feature as a strong invincible army. Because the beautiful virtue of army-people unity is highly displayed, we can resolutely crush any vicious

maneuvers of the imperialists and resolutely defend and add luster forever to our-style socialism.

To more highly display the traditional beautiful virtue of army-people unity is of important significance in victoriously advancing today's march to make our country more prosperous and strong.

Our People's Army and people are now waging a vigorous struggle helping and encouraging each other to realize the great leader Comrade Kim Chong-il's idea of building the great socialist fatherland. The astonishing speed and miraculous successes created in the major construction sites, such as the construction of the Chongnyu Bridge (2d stage) and the Kumnung No. 2 Tunnel, which amaze the people of the world, are a noble manifestation of army-people unity. Thanks to the wholehearted unity between the Army and the people, the great monumental creations were built one after another glorifying the era of the Workers Party of Korea [WPK] and socialist construction is pushing ahead at an unprecedented speed. When the beautiful virtue of army-people unity is displayed even more highly, greater success will be attained in the struggle for the prosperity and development of our country, our fatherland, and our cause of socialism will advance victoriously.

By giving fuller play to the traditional beautiful virtue of army-people unity, we must continuously develop army-people relations.

The most important thing in giving full play to the traditional, beautiful virtue of army-people unity is that all the people and officers and men of the People's Army firmly cherish the revolutionary belief in sharing life, death, and destiny on the road of upholding the respected and beloved supreme commander Comrade Kim Chong-il.

The beautiful virtue of army-people unity can be displayed only by the people and the Army that receive the leadership of the party and the leader, and it is based on the revolutionary belief and will to share life, death, and destiny on the road of upholding the leader. The firm belief and will to uphold the leader are the eternal ties connecting firmly our Army and people in one blood vessel, and an ideological and spiritual source which enables the beautiful virtue of army-people unity to bloom fully in the entire society.

The respected and beloved supreme commander Comrade Kim Chong-il is an outstanding leader of our times and iron-willed ever-victorious brilliant commander with unequalled outstanding wisdom, extraordinary leadership, and the brilliant art of commanding the army. All the officers and men of the People's Army and

the people must entrust all their destiny to the comrade supreme commander and uphold the leadership of the great Comrade Kim Chong-il with wholehearted filial dutifulness, with the thorough belief that apart from the leadership of the respected and beloved supreme commander Comrade Kim Chong-il, there cannot be true life and happiness or the prosperity and development of the socialist fatherland.

For all the members of society to help the People's Army wholeheartedly is an important requisite to further displaying the traditional beautiful virtue of army-people unity.

Our People's Army is the defender of the socialist fatherland and creator of the people's happiness. It is the noble duty of all the people to treasure, love, and wholeheartedly help the People's Army—the true fighters of the respected and beloved supreme commander Comrade Kim Chong-il—like their own children. Our people displayed the beautiful virtue of actively helping the officers and men of the People's Army materially and spiritually devoting their all to it if it was to help them better carry out their military mission entrusted to them by the party. For instance, our people conducted a vigorous political work calling upon the People's Army soldiers to uphold the respected and beloved supreme commander Comrade Kim Chong-il with arms as our first generation of the revolution did for the great leader in the past, thus implanting the live coal of loyalty in soldiers' hearts. They donated the "Tong-il" armored vehicle and the "Tongil" car to the People's Army, visited the People's Army with numerous relief goods, vigorously encouraging their success in combat and political training. Cherished in the hearts of those who actively helped the People's Army—from the members of the Children's Union to old people—is the noble awareness that they can carry on socialist construction with confidence and enjoy a happy life because the officers and men of the People's Army defend the guardposts of the fatherland.

All officials and workers must bear in mind the notion that the fatherland's security and a victory in the socialist cause are certain because of the Revolutionary Armed Forces, which are boundlessly loyal to the party's leadership. They must also positively participate in work to assist the army with a resolve to contribute, even a little, to strengthening the combat capability of the People's Army. All people must sincerely assist the People's Army, just like the people near guerrilla bases who, cherishing deep in their hearts the notion that supporting and assisting the Anti-Japanese Guerrilla Army will bring freedom and happiness and the fatherland's liberation to them, devotedly supported and assisted the Anti-Japanese Guerrilla Army even under difficult cir-

cumstances. This provides the guarantee for making the traditional beautiful trait of army-people unit come into full bloom.

Vigorously carrying out the movement to win the title of an exemplary county in army-people unity is important work to more highly display the traditional, beautiful trait of army-people unity.

The movement to win the title of an exemplary county in army-people unity is a popular movement to further strengthen the blood ties between the army and people by continuously and highly displaying the traditional, beautiful trait of the army and the people loving and positively helping each other. An important goal for carrying out this movement is to continuously glorify the army-people relations which were fostered throughout the stern trials of the revolution and develop them into a new higher stage of development.

All sectors and units must widely explain and propagandize to the officials and workers the significance and goal of the movement to win the title of an exemplary county in army-people unity, and lead them to have a full understanding of the worthwhile course of the People's Army and the immortal achievements which the People's Army has brought about in this course and, thus, more positively participate in this movement.

Conducting this organizational work well is an important task to positively carrying out the movement to win the title of an exemplary county in army-people unity. All sectors and units must consider assisting the People's Army to be a matter of course and substantially carry out work to assist the People's Army. In particular, regional administrative offices assigned to carrying out the movement to win the title of an exemplary county in army-people unity must map out concrete plans to positively carry out this movement, carry out organizational work based on real circumstances, and carry out work to generalize good examples. They must also assist the People's Army not as a transitional campaign but perpetually.

Let us all highly display the traditional, beautiful trait of army-people unity in hearty response to the noble intention of Comrade Kim Chong-il, the respected and beloved supreme commander, and resolutely protect and defend and further glorify socialism of our own style, which is advancing under the banner of single-hearted unity.

Establishing Party's Leadership System Urged

SK1705092695 *Pyongyang NODONG SINMUN*
in Korean 28 Apr 95 p 2

[Article by Pak Hon-paek: "The Great Leadership That Thoroughly Sets Up the Party's Leadership System"]

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il has raised the question of establishing the party's leadership system as a basic principle for building a working class party and has wisely led this work. In this regard, the historic work "On Thoroughly Establishing the Party's Leadership System," which was announced on 28 April, 1979 is of great significance.

In the work, the great leader Comrade Kim Chong-il has extensively expounded all the ideological and theoretical questions arising in establishing the party's leadership — from the essence and importance of the work on establishing the party's leadership system to the tasks and ways to implement it.

The great leader Comrade Kim Chong-il has pointed out: "Establishing the party's leadership system is a basic principle for building a working class party and is a key question decisive to the successful implementation of the revolutionary struggle and construction work."

Establishing the party's leadership system implies setting up the revolutionary ethos of unconditionally, thoroughly implementing the party's decision and instruction, setting up iron discipline, heightening the concept of party organizations among party members and strengthening their party activities, and firmly guaranteeing the party's leadership over the revolution and construction. Establishing the party's leadership system is a very important question to fulfill one's mission as the revolution's general staff by turning the working class party into a revolutionary and militant party, and to triumphantly carry out the revolutionary struggle and construction work by organizing and mobilizing the broad masses. When the working class party consistently adheres to the work of establishing the party's leadership system, the party's leadership over the entire society can be firmly guaranteed and consummate the revolutionary cause pioneered by the leader by increasing the party's might and combat capacity by all means.

In the work, the great leader Comrade Kim Chong-il has comprehensively expounded the question of establishing the revolutionary ethos of unconditionally accepting and implementing to the end the party's decision and instruction among cadres and party members, the question of establishing the revolutionary discipline inside the party, the question of thoroughly carrying out the party life with correct notions on party organizations,

and the question of heightening party organizations' militant function and role, and other tasks and ways arising in thoroughly establishing the party's leadership system, thus bringing about the revolutionary upsurges in this work.

The last 16 years after the announcement of the work has been a proud course in which the great leader Comrade Kim Chong-il's ideas and theories have been brilliantly embodied and our party has developed and strengthened into a revolutionary party that is equipped with invincible leadership. The great leader Comrade Kim Chong-il has regarded the establishment of the party's leadership system as an important work concerned with the destiny of the socialist cause and has always paid great attention to this work.

The great leader Comrade Kim Chong-il's wise leadership to perfectly establish the party's leadership system lies, above all, in the fact that he tried to make the unity of ideology and leadership firmly guaranteed within the party.

Guaranteeing the unity of ideology and leadership within the party is firmly arming the entire party with the leader's idea, thinking and acting according to its demand, and making all party organizations and party members invariably move under the leader's unitary leadership. The revolutionary party's firmness and vitality are guaranteed by the unity of ideology and leadership. When the unity of ideology and leadership are guaranteed, the entire party's unity in one ideology and purpose can be implemented and the party's leadership over the revolution and construction can be correctly guaranteed.

The unity of leadership and ideology within the party can be implemented only when it is led by the great leadership. The leader equipped with brilliant wisdom, superior leadership, and noble virtues sets forth lines and policies that correctly reflect the popular masses' independent demand and interests, and correctly organizes and leads the popular masses' creative activities. The party that does not uphold the leader's idea and leadership and that does not succeed the leader's cause cannot be said to be a revolutionary party.

The great leader Comrade Kim Chong-il has raised the question of guaranteeing the unity of ideology and leadership within the party as a basic principle for party building, and has firmly established a unitary, ideological system and a unified leadership system in the entire party. Thereby, he has strengthened and developed our party into invincible, militant ranks who think and move as one under the leader's leadership. Our party has come to hold undivided only one idea, the *chuche* idea, and has made all party organizations

and party members live and struggle in conformity with the demand of the *chuche* idea. In addition, our party has established iron discipline under which the entire party moves according to one ideology and purpose, thus thoroughly guaranteeing the party center's unitary leadership to the lowest part.

The unity of ideology and leadership within the party is guaranteed by centralistic discipline. Only when all the party organizations and party members compulsorily execute the party's lines and policies, and centralistic work system and order under which all the party members move as one is established, can the unity of ideology and leadership be firmly guaranteed.

Under the wise leadership of the great leader Comrade Kim Chong-il, all the cadres and party members are upholding the party's leadership with endless loyalty toward the party. Our party members' loyalty toward the party has been highly demonstrated among practical struggles to implement the party's decision and instruction. Iron discipline under which the entire party moves as one has been set up in the party, and the revolutionary ethos of reporting and handling important questions of principle arising in party work and party life and unconditionally accepting and implementing the party's decision and instruction has been set up.

All the cadres and party members have been thoroughly abiding by orders and regulations enacted by the party and voluntarily participating in party life with a correct concept of party organizations. Thereby, our party has vigorously pushed ahead the revolution and construction, firmly united in one ideology and purpose.

The great leader Comrade Kim Chong-il's wise leadership to thoroughly establish the party's leadership system also lies in the fact that he has firmly equipped the entire party as a unity of ideological will.

The party's unity and cohesion is the life of the party and a source of its might. When the party's unity and cohesion are destroyed, the party cannot maintain its existence. The party's unity and cohesion are a decisive guarantee to vigorously push ahead the revolution and construction by endlessly enhancing the party's leadership role. The broad popular masses should strive and be firmly united as one under the leadership of the party and the leader. This is a basic driving force to develop a socialist society at an early date and a source of its invincible power. The entire society's political, ideological unity and cohesion are unthinkable apart from the party's unity and cohesion. In order to achieve the entire society's political, ideological unity and cohesion and accelerate the revolution and construction by rallying the popular masses around the

leader, the unity and cohesion of the party ranks, its pivotal force, should be first accomplished.

The struggle to adhere to the party's cohesion and unity is the most important question arising in the work to establish the party's leadership system.

The great leader Comrade Kim Chong-il has endlessly intensified and firmly adhered to the work of strengthening the party's cohesion and unity as a central task of party building. Our party had long ago firmly realized the party's cohesion and unity. However, not satisfied with this our party has vigorously waged the struggle to strengthen the entire party's single-hearted unity centered around the leader. Thereby, our party has achieved invincible unity and cohesion that will not vacillate under any circumstances.

Today, the invincibility and firmness of our party's cohesion and unity lie in the fact that it is becoming the whole party's cohesion and unity of ideological will and moral integrity centered on the great leader [yongdoja] Comrade Kim Chong-il. Unity under a sense of duty and practical unity cannot last long and cannot overcome the revolution's severe trials. All of our party members are highly upholding the great leader [yongdoja] Comrade Kim Chong-il as a father and think and act only in accordance with the leader's [yongdoja] ideological will. The firm faith and will to share one idea and purpose and fate with the great leader [yongdoja] is overflowing throughout the whole party. Therefore, the party's cohesion and unity is strong and our party is manifesting invincible might in revolution and construction.

Another wise leadership method of the great leader [yongdoja] Comrade Kim Chong-il to thoroughly establish the party's leadership system is that he led our party to fulfill the mission and role of the leadership political organization firmly realizing the political leadership throughout society.

The working class party in a socialist society is responsible for and leads the people's fate, and is possessed with the mission to guarantee an independent and creative life for the people. If the party is to fulfill this mission, political leadership must be firmly realized in all sectors including politics, economy, culture, and military. No organization and group can take the place of the party's position and role as the general staff of the revolution that presents a correct strategy and tactics in revolution and construction, and organizes and leads the popular masses' struggle to realize it.

The great leader [yongdoja] Comrade Kim Chong-il wisely led our party to strengthen the position of a political leader of society and to enhance its role in

all directions. The party's leadership position and role must be enhanced so that political leadership can be firmly realized throughout the whole society. This is the basic direction that our party is adhering to in party building. The party's leadership toward revolution and construction is guidance based on policies and guidance based on politics. Our party always puts forth the popular masses as a teacher; goes into the masses and listens to their voices; and establishes the line and policy by reflecting the demand and interest of the popular masses. As such, in establishing the line and policy, it was possible for our party to avoid all descriptions of right and left deviations, and our party policy is receiving the popular masses' absolute support.

The party should not only correctly establish the policy but it should also organize and mobilize the popular masses to implement it. Our party puts forth the political work in the forefront of all works, and actively motivates the popular masses' high revolutionary enthusiasm and creative activeness, thus implementing the party's policy and pushing ahead with revolution and construction. Along with this, our party is highly upholding the slogan, "Serving the people!" and is thoroughly adhering to the revolutionary mass line. Because of this, our party is receiving the popular masses' absolute support and faith, and fulfilling its mission as a leadership political organization. Today, our people wholly entrust their fate to the party, and are overflowing with the firm determination to complete the chuche revolutionary cause by following the party.

Great results were achieved in the struggle to thoroughly establish the party's leadership system according to the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il. In our party, the work to establish the party's leadership system is the work to thoroughly embody throughout the whole party and society the great leader [yongdoja] Comrade Kim Chong-il's ideology and leadership. Through practical experience in the past, our people experienced in their hearts that if they uphold the great leader [yongdoja] Comrade Kim Chong-il's ideology and leadership and carry out revolution and construction, they will be victorious without fail.

There is the great ideology and theory presented in the respected and beloved Comrade Kim Chong-il's classic work, "On Thoroughly Establishing the Party's Leadership System," and there is our party that is trying to firmly adhere to it. Therefore, revolution and construction will victoriously advance along the sure road.

South Korea

U.S.-North Meeting 20 May; No Preliminary Talks

SK1805230195 Seoul KBS-1 Radio Network
in Korean 2100 GMT 18 May 95

[FBIS Translated Text] The United States and North Korea have decided to directly begin full-dress talks on the supply of light-water reactors on 20 May, without the scheduled preliminary contact.

According to the ROK Embassy in Malaysia, the United States and North Korea have agreed to hold the first round of their full-dress talks on 20 May. The embassy stated: After the first round of talks, the United States and North Korea will take a one-day recess for consultations with their respective governments, and will hold the second round of talks at the North Korean Embassy in Kuala Lumpur on 22 May.

Accordingly, the U.S.-North Korea talks will directly handle the main issues, such as the supply of light-water reactors, without a preliminary contact to discuss agenda items.

Regarding the cancellation of the scheduled U.S.-North Korea preliminary contact, a diplomatic source in Kuala Lumpur stated: It has been learned that the United States and North Korea have already shared a prior understanding on it through a diplomatic channel in New York.

This source also stated: The U.S. delegation will arrive in Kuala Lumpur this morning [19 May] and the North Korean delegation will arrive here tonight. Although the United States and North Korea have agreed to have no preliminary contact, it is expected that the two sides will have a difference of opinion on the selection of agenda items from the beginning of the talks.

Meanwhile, our country's working-level consultation team arrived in Kuala Lumpur last night [18 May] and will hold discussions with the U.S. delegation this afternoon to reconfirm their strategy for the U.S.-North Korea talks in advance.

U.S. Denies Heavy-Oil Linkage to DPRK Talks

SK1905063295 Seoul YONHAP in English
0543 GMT 19 May 95

[FBIS Transcribed Text] Washington, May 18 (YONHAP) — As long as North Korea maintains the freeze on its nuclear reactors, the United States will carry out in full its obligations as stated in the agreed framework Washington reached with Pyongyang last October in Geneva, U.S. State Secretary Warren Christopher testified before a Foreign Operations Subcommittee of the Senate Appropriations Committee Thursday.

Christopher also claimed at the subcommittee hearing that liaison offices between Pyongyang and Washington were advancing, in accordance with the progress of the U.S.-North Korean negotiations, and that heavy oil shipments to North Korea would resume once the communist country could prove that they would use the fuel for electrical energy production.

Responding to inquiries made by Sen. Mitch McConnell (R-KY.), chairman of the committee, on the current situation between the United States and the Korean peninsula, Christopher reiterated the United States' policy as stated in the accord signed in Geneva last October.

Christopher also emphasized the necessity of the framework agreement — to prevent the development of the North's nuclear program which was capable of producing between five and 10 nuclear bombs.

The points of the pact that Christopher stressed were the resumption of a South-North Korean dialogue in parallel with U.S.-North relations, the provision of South Korean standard-model light-water reactors, and the freezing and eventual dismantling of the North's nuclear program.

However, before a South-North dialogue can continue, Christopher explained, the reactor provision issue must first be resolved. Meetings will take place in Kuala Lumpur, Malaysia, within the next several weeks between lower-level North Korean and U.S. officials to discuss the reactor issue.

He asserted that the tedious implementation was anticipated. "This is going to be a period of great required vigilance by the United States. We'll have to follow that implementation with great care, and there will be difficulties in the implementation."

Later, in respect to the brinkmanship on the part of the North Koreans, Christopher added, "it will be a tough negotiation and implementation will be difficult. I've never pretended otherwise."

"But it's very much in our interest to carry this framework accord forward," he repeated.

The establishment of liaison offices between the two countries are in the works, but Christopher stressed that it was "by no means full diplomatic recognition." He added that the offices will also take into consideration the status of the negotiations.

The Secretary of State also said that heavy oil shipments would not resume until the negotiations progressed. The shipments were discontinued after the United States discovered that the North Koreans were diverting the oil, not for military means as feared, but for iron and

steel production. As the fuel was provided for energy production, the United States has stopped the shipments until North Korea can provide proof that there would be no further diversions.

However, the State Department later retracted Christopher's remark which claimed that the heavy oil was related to the reactor talks. "We'll resume deliveries of heavy fuel oil to North Korea once the DPRK has agreed with us on steps that will enable us to verify that this fuel oil is used only to generate heat and electricity for civilian uses."

"There is no linkage between heavy fuel oil deliveries and any other issue," the statement read.

In regard to the refueling of the North's nuclear program, to clear the record Christopher said, "We have no indication that they (North Koreans) have reloaded or restarted the 5-megawatt reactor."

If that does occur and if the accord implementation breaks down, Christopher implied during a previous Senate committee meeting, the United States' allies and the United Nations should seek to implement sanctions against North Korea, but the defense secretary called it "prudent at that time for us to increase our military assets in the Asia-Pacific region" at a cost of 200 to 300 million U.S. dollars.

Commenting on the status of United States' Armed Forces in Korea, Christopher replied that Gen. Gary Luck, the Combined Unified Command leader, is constantly engaged in "military planning with South Korea."

The secretary conferred that the joint exercises between South Korean forces and the 37,000 U.S. troops stationed in South Korea were "of a normal kind."

Although certain joint exercises, most likely a reference to "Team Spirit," were cancelled, Christopher declared that the United States will be "conducting whatever military exercises are deemed to be in the best interests of the security of South Korea and the United States."

U.S.' Christopher on Diversion of Oil

*SK1805235495 Seoul KBS-1 Radio Network
in Korean 2102 GMT 18 May 95*

[By correspondent Yi Chong-su from Washington]

[FBIS Translated Text] U.S. Secretary of State Christopher stated today that some of the heavy oil supplied to North Korea was used at ironworks and that the United States has notified North Korea of its policy that it will not provide North Korea with the additional quota of heavy oil, which is supposed to be supplied in October,

area diverts heavy oil for some other purpose

the light-water reactor issue, Secretary stressed: In essence, the United States believes the supply of ROK-type light-water reactors is a practical measure to be implemented. The situation will never change.

the establishment of liaison offices, Secretary stated: If the U.S.-North Korea negotiates good results, progress will be made in the establishing liaison offices.

inter-Korean dialogue, he stressed that the United States has made it clear that inter-Korean dialogue will be resumed prior to the implementation of the building of light-water reactors.

Suggests U.S. Leaving South Out of Talks

SK195 Seoul CHOSON ILBO in Korean
p 3

"Does the United States Pursue an Independent Policy Toward North Korea?"

[Translated Text] U.S. nuclear ambassador Galbraith said: "Even if North Korea does not accept the supply of light-water reactors, implementation of the Geneva agreement, which includes opening liaison offices, will continue as long as the DPRK maintains the nuclear freeze." The United States has reportedly rejected North Korea's demand that the agenda of high-level DPRK-U.S. talks scheduled to be held in Kuala Lumpur be limited to political issues, not the light-water reactor issue.

Regarding this news report, we cannot but suspect that, with regard to North Korean policy, the United States has a separate timetable in which the ROK has

U.S.-Japan coordination meeting in Seoul a few days ago, the United States hinted that it would make concessions on the name the "ROK model." The United States presented an independent course. This is a major suspicion. We now assume that the concessions on the name of the "ROK model" were not given to give the ROK a leading role but to exchange dialogue with North Korea. We feel betrayed to a certain extent.

Understand how in the world the United States can ensure that the North Korean nuclear program be maintained and it can use the exchange of liaison offices as bait. North Korea always threatens to shut down its experimental nuclear reactor with fuel rods. It did not attend the meeting to pass the

resolution on extending the Nuclear Nonproliferation Treaty. North Korea can unfreeze its nuclear program anytime, even after the United States and North Korea exchange liaison offices. Then it will never be easy for the United States to withdraw its liaison office as a countermeasure. The United States will most likely be dragged in by North Korea.

Nevertheless, the United States seems to interpret the Geneva agreement self-centeredly and stick to exchanging liaison offices. What the U.S. and North Korea must implement under the Geneva agreement includes not just an exchange of liaison offices and North Korea's temporary nuclear freeze but implementation of the Joint Declaration on Denuclearization of the Korean Peninsula and North-South dialogue. However, the United States considers what is beneficial to U.S. interests to be what must be implemented.

The North Korean nuclear problem will not be solved this way, though U.S.-North Korea relations may be improved. Former U.S. Secretary of State James Baker, who attended a seminar of the Seoul Congress of the International Press Institute, said: "The Clinton administration recognized North Korea, an irresponsible regime, in the nuclear negotiations. The Clinton government knows only carrots, not sticks." His remarks are worth listening to, even though he is out of office.

New Foreign Ministry Trade Dispute Task Force

SK1905035595 Seoul THE KOREA HERALD
in English 19 May 95 p 2

[FBIS Transcribed Text] The Foreign Ministry has set up a task force to cope with trade disputes on the stage of the new World Trade Organization (WTO), ministry officials said yesterday.

The team is to take charge of negotiations with the United States under the WTO framework on South Korea's inspection and test of agricultural imports and shelf life period for imported meat and other food products.

It will be headed by Chang Ki-ho, the ministry's director-general for international trade.

Army May Take Control of UN Joint Security Area

SK1905045495 Seoul CHOSON ILBO in Korean
19 May 95 p 1

[Report by Ku Song-sin]

[FBIS Translated Text] It was learned on 18 May that the government is pushing ahead with a plan to have the ROK Army unit under the UN Forces Command take

control of the Joint Security Area [JSA] of Panmunjom inside the DMZ.

A government source said "currently, ROK soldiers and U.S. soldiers are dispatched to the Panmunjom JSA at a ratio of 60:40 and jointly control this area," and added "the government, however, reached an internal consensus to have the ROK Army unit take full control of the JSA."

The source said such a step is aimed at consolidating the ROK's position by taking active countermeasures against North Korea's offensives to break off the Armistice Agreement and its strategies to elbow aside the ROK. In addition, by taking control of Panmunjom, the focus of international interest, the ROK hopes to raise its profile on the international scene.

The source then analyzed "if the ROK Army takes full control of the JSA, it will serve as an important momentum in gaining the North's acknowledgement of the ROK Army unit's high profile inside the UN Forces Command." He added "the government has inquired about U.S. intentions on this matter and received a positive response."

\$1.8 Million Given for KEDO Operational Expense

SK1905022595 Seoul YONHAP in English
0114 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — South Korea will pay 1.8 million U.S. dollars to this year's operation fund for the Korean Peninsula Energy Development Organization (KEDO), the international consortium overseeing the provision of two light-water nuclear reactors to North Korea, as stipulated by the nuclear agreement reached between Pyongyang and Washington, an official of the office of planning for the light-water reactor project said Friday.

The payment will be made to KEDO by early June when domestic procedures approving expenditures for KEDO will be completed, the official said.

The official also said that the three main players of KEDO, South Korea, the United States and Japan, recently agreed to equally divide the 5.4 million U.S.-dollar price tag on KEDO's operation fund this year.

KEDO's operation fund next year has been set at 9.6 million U.S. dollars and the expenditures are also scheduled to be equally divided among the three countries, according to the official.

KEDO will soon establish its headquarters in New York, and will be staffed with about 30 people from the three countries, the official said.

Daily on Approval of Business Investment in North
SK1905115395 Seoul KYONGHYANG SINMUN
in Korean 19 May 95 p 3

[Editorial: "Is There Any Pitfall in the Course of Investment in North Korea?"]

[FBIS Translated Text] It is a regrettable reality that South and North Korea, a single nation, have been unable to achieve even economic cooperation in this era of a global village without borders. Accordingly, the government's approval of the Daewoo Group and the Kohap Company's direct investment in North Korea for the first time in the history of South-North economic cooperation has great significance in creating a springboard for the construction of a national economic community. We only hope this will exert a good influence on North Korea-U.S. talks and give impetus to the activation of South-North economic cooperation.

Although it is a small-scale pilot project worth \$5 million, the joint venture project to be carried out with the South's capital and technology and the North's labor and land is an impressive start for South-North economic cooperation. It has been realized in the seven years since the declaration on realizing all exchanges between South and North Korea, which was dated 7 July 1988. We are satisfied to see a breakthrough, even though it is late and occurred during the South-North tension that has been aggravated by the North Korean nuclear issue.

Now it is North Korea's turn to respond. If North Korea breaks the deadlock of South-North relations by accepting ROK-style light-water reactors, mutual economic cooperation can be expanded remarkably. The government's first-ever approval of investment in North Korea is reportedly based on its policy to separate the nuclear issue from South-North economic cooperation, but political and economic issues cannot completely be separated from each other. We cannot deny that economic cooperation is a secondary variable to politics and security. This is probably the reason why the deputy prime minister for unification stated: "In case the situation changes, such as the international cooperation system's switch to sanctions on North Korea due to the nuclear issue, the government may withdraw approval of the investment in North Korea." This is also why the government has suspended the approval of large-scale projects for investment in the social overhead capital of North Korea.

There are a number of fields in which South and North Korea can push ahead to create projects with added value, mutually meeting each other's needs. Trade between South and North Korea amounted to only \$229

million in 1994, and indirect trade and processing on commission took the lion's share. South and North Korea should remarkably increase direct trade on the one hand, and should activate joint-venture projects on the other hand. They should also jointly advance into the continent, including Manchuria and Siberia, in cooperation with each other. To this end, North Korea must unlock the door of its closed society and accept an open system.

Because of the risk accompanying large-scale projects, such as investment in indirect social capital, it is necessary to establish such systematic devices as an investment guarantee system and a double taxation avoidance treaty. It is also necessary to set up a system for settling accounts in preparation for expanded direct inter-Korean trade. Accordingly, South and North Korean officials concerned must get together to discuss these problems.

Inter-Korean economic cooperation will have to be limited because of North Korea's strategy toward the South, which seems to be aimed at dividing and destroying the South by employing a different policy toward the ROK Government and the ROK people, including politicians, dissidents, religionists, and businessmen, as well as by its so-called policy of "promoting exchanges with the United States while shutting the door on South Korea." The expansion of exchanges, reconciliation, and cooperation between South and North Korea and the further construction of a national economic community must begin with inter-Korean economic cooperation. To this end, North Korea should now resolve the light-water reactor issue in a reasonable way. Our enterprises should also know that it is inevitable that they must approach North Korea on a step-by-step basis and should be patient and orderly in advancing into North Korea, carefully watching the development of North Korea-U.S. talks.

North Fires on PRC Boat, Bars Liu Huaqing Visit

SK1905022395 Seoul CHUNGANG ILBO in Korean
19 May 95 p 3

[By correspondent Mun Il-hyon from Beijing]

[FBIS Translated Text] It was learned that, while strengthening its border and coastal security, North Korea fired at a Chinese fishing boat and did not allow a high-ranking Chinese military leader Liu Huaqing, vice chairman of the Chinese Central Military Commission, to visit North Korea.

A high-ranking Western diplomatic source in Beijing stated on 18 May: "In April, a North Korean patrol boat fired at a Chinese fishing boat that was fishing in the Yellow Sea. There were no casualties due to this

shooting incident but the Chinese leadership was very displeased."

This source also revealed: "Recently, China explored the possibility of Liu Huaqing's visit to North Korea, but it was scrapped due to North Korea's refusal."

50 Illegal Korean-Chinese Allowed To Remain

SK1905102695 Seoul YONHAP in English
0740 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — The government Friday [19 May] revised its laws to allow 50 Korean-Chinese, residing in the country illegally after entering with travel permits between 1984 and 1988, to live in the country permanently, a Foreign Ministry spokesman said.

Under the revised laws, Korean-Chinese who want to live with their families in the country will also be eligible for permanent residency in the country, the spokesman said.

The government made the revision for humanitarian reasons seven years after it banned permanent resettlement of Korean-Chinese in the country in 1988 when the government freely allowed visits by ethnic Koreans residing in former communist countries to visit Korea, the spokesman said.

Permanent residency has since been granted only to descendants of freedom fighters during the Japanese colonial rule of Korea.

Reportage on Russian Defense Minister's Visit

Grachev Supports Armistice System

SK1905115995 Seoul YONHAP in English
1152 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — Defense Minister Yi Yang-ho conferred with visiting Russian Defense Minister Pavel Grachev Friday afternoon and they shared the view that the Korean armistice system should be maintained and direct South-North dialogue should resume for peace on the Korean peninsula.

The Defense Ministry reported Minister Grachev, in particular, said that he absolutely supports the non-nuclearization declaration made by the South Korean Government in 1991 and that North Korea should abide by all the rules of the International Atomic Energy Agency (IAEA).

A ministry official said the Russian minister also said Russia well knows that the "automatic intervention"

if North Korea diverts heavy oil for some other purpose again.

Regarding the light-water reactor issue, Secretary Christopher stressed: In essence, the United States believes that the supply of ROK-type light-water reactors is the only practical measure to be implemented. The U.S. policy will never change.

Mentioning the establishment of liaison offices, Secretary Christopher stated: If the U.S.-North Korea negotiations have good results, progress will be made in the issue of establishing liaison offices.

Regarding inter-Korean dialogue, he stressed that the United States has made it clear that inter-Korean dialogue must be resumed prior to the implementation of the project of building light-water reactors.

Paper Suggests U.S. Leaving South Out of Talks

*SK1905053195 Seoul CHOSON ILBO in Korean
19 May 95 p 3*

[Editorial: "Does the United States Pursue an Independent Line Toward North Korea?"]

[FBIS Translated Text] U.S. nuclear ambassador Gallucci has said: "Even if North Korea does not accept ROK-model light-water reactors, implementation of the DPRK-U.S. agreement, which includes opening liaison offices, will continue as long as the DPRK maintains its nuclear freeze." The United States has reportedly agreed on North Korea's demand that the agenda of the semi-high-level DPRK-U.S. talks scheduled to be held in Kuala Lumpur be limited to political issues, not including the light-water reactor issue.

Upon hearing this news report, we cannot but suspect that with regard to North Korean policy, the United States has a separate timetable in which the ROK has no part.

At the ROK-U.S.-Japan coordination meeting in Seoul held only a few days ago, the United States hinted that it may make concessions on the name the "ROK model." It has now presented an independent course. This is why we harbor suspicion. We now assume that the concessions on the name of the "ROK model" were not intended to give the ROK a leading role but to exchange liaison offices with North Korea. We feel betrayed to a certain extent.

We cannot understand how in the world the United States thinks it can ensure that the North Korean nuclear freeze will be maintained and it can use the exchange of liaison offices as bait. North Korea always threatens to reload its experimental nuclear reactor with fuel rods. It even did not attend the meeting to pass the

resolution on extending the Nuclear Nonproliferation Treaty. North Korea can unfreeze its nuclear program anytime, even after the United States and North Korea exchange liaison offices. Then it will never be easy for the United States to withdraw its liaison office as a countermeasure. The United States will most likely be dragged in by North Korea.

Nevertheless, the United States seems to interpret the Geneva agreement self-centeredly and stick to exchanging liaison offices. What the U.S. and North Korea must implement under the Geneva agreement includes not just an exchange of liaison offices and North Korea's temporary nuclear freeze but implementation of the Joint Declaration on Denuclearization of the Korean Peninsula and North-South dialogue. However, the United States considers what is beneficial to U.S. interests to be what must be implemented.

The North Korean nuclear problem will not be solved this way, though U.S.-North Korea relations may be improved. Former U.S. Secretary of State James Baker, who attended a seminar of the Seoul Congress of the International Press Institute, said: "The Clinton administration recognized North Korea, an irresponsible regime, in the nuclear negotiations. The Clinton government knows only carrots, not sticks." His remarks are worth listening to, even though he is out of office.

New Foreign Ministry Trade Dispute Task Force

*SK1905035595 Seoul THE KOREA HERALD
in English 19 May 95 p 2*

[FBIS Transcribed Text] The Foreign Ministry has set up a task force to cope with trade disputes on the stage of the new World Trade Organization (WTO), ministry officials said yesterday.

The team is to take charge of negotiations with the United States under the WTO framework on South Korea's inspection and test of agricultural imports and shelf life period for imported meat and other food products.

It will be headed by Chang Ki-ho, the ministry's director-general for international trade.

Army May Take Control of UN Joint Security Area

*SK1905045495 Seoul CHOSON ILBO in Korean
19 May 95 p 1*

[Report by Ku Song-sin]

[FBIS Translated Text] It was learned on 18 May that the government is pushing ahead with a plan to have the ROK Army unit under the UN Forces Command take

control of the Joint Security Area [JSA] of Panmunjom inside the DMZ.

A government source said "currently, ROK soldiers and U.S. soldiers are dispatched to the Panmunjom JSA at a ratio of 60:40 and jointly control this area," and added "the government, however, reached an internal consensus to have the ROK Army unit take full control of the JSA."

The source said such a step is aimed at consolidating the ROK's position by taking active countermeasures against North Korea's offensives to break off the Armistice Agreement and its strategies to elbow aside the ROK. In addition, by taking control of Panmunjom, the focus of international interest, the ROK hopes to raise its profile on the international scene.

The source then analyzed "if the ROK Army takes full control of the JSA, it will serve as an important momentum in gaining the North's acknowledgement of the ROK Army unit's high profile inside the UN Forces Command." He added "the government has inquired about U.S. intentions on this matter and received a positive response."

\$1.8 Million Given for KEDO Operational Expense

SK1905022595 Seoul YONHAP in English
0114 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — South Korea will pay 1.8 million U.S. dollars to this year's operation fund for the Korean Peninsula Energy Development Organization (KEDO), the international consortium overseeing the provision of two light-water nuclear reactors to North Korea, as stipulated by the nuclear agreement reached between Pyongyang and Washington, an official of the office of planning for the light-water reactor project said Friday.

The payment will be made to KEDO by early June when domestic procedures approving expenditures for KEDO will be completed, the official said.

The official also said that the three main players of KEDO, South Korea, the United States and Japan, recently agreed to equally divide the 5.4 million U.S.-dollar price tag on KEDO's operation fund this year.

KEDO's operation fund next year has been set at 9.6 million U.S. dollars and the expenditures are also scheduled to be equally divided among the three countries, according to the official.

KEDO will soon establish its headquarters in New York, and will be staffed with about 30 people from the three countries, the official said.

Daily on Approval of Business Investment in North SK1905115395 Seoul KYONGHYANG SINMUN in Korean 19 May 95 p 3

[Editorial: "Is There Any Pitfall in the Course of Investment in North Korea?"]

[FBIS Translated Text] It is a regrettable reality that South and North Korea, a single nation, have been unable to achieve even economic cooperation in this era of a global village without borders. Accordingly, the government's approval of the Daewoo Group and the Kohap Company's direct investment in North Korea for the first time in the history of South-North economic cooperation has great significance in creating a springboard for the construction of a national economic community. We only hope this will exert a good influence on North Korea-U.S. talks and give impetus to the activation of South-North economic cooperation.

Although it is a small-scale pilot project worth \$5 million, the joint venture project to be carried out with the South's capital and technology and the North's labor and land is an impressive start for South-North economic cooperation. It has been realized in the seven years since the declaration on realizing all exchanges between South and North Korea, which was dated 7 July 1988. We are satisfied to see a breakthrough, even though it is late and occurred during the South-North tension that has been aggravated by the North Korean nuclear issue.

Now it is North Korea's turn to respond. If North Korea breaks the deadlock of South-North relations by accepting ROK-style light-water reactors, mutual economic cooperation can be expanded remarkably. The government's first-ever approval of investment in North Korea is reportedly based on its policy to separate the nuclear issue from South-North economic cooperation, but political and economic issues cannot completely be separated from each other. We cannot deny that economic cooperation is a secondary variable to politics and security. This is probably the reason why the deputy prime minister for unification stated: "In case the situation changes, such as the international cooperation system's switch to sanctions on North Korea due to the nuclear issue, the government may withdraw approval of the investment in North Korea." This is also why the government has suspended the approval of large-scale projects for investment in the social overhead capital of North Korea.

There are a number of fields in which South and North Korea can push ahead to create projects with added value, mutually meeting each other's needs. Trade between South and North Korea amounted to only \$229

million in 1994, and indirect trade and processing on commission took the lion's share. South and North Korea should remarkably increase direct trade on the one hand, and should activate joint-venture projects on the other hand. They should also jointly advance into the continent, including Manchuria and Siberia, in cooperation with each other. To this end, North Korea must unlock the door of its closed society and accept an open system.

Because of the risk accompanying large-scale projects, such as investment in indirect social capital, it is necessary to establish such systematic devices as an investment guarantee system and a double taxation avoidance treaty. It is also necessary to set up a system for settling accounts in preparation for expanded direct inter-Korean trade. Accordingly, South and North Korean officials concerned must get together to discuss these problems.

Inter-Korean economic cooperation will have to be limited because of North Korea's strategy toward the South, which seems to be aimed at dividing and destroying the South by employing a different policy toward the ROK Government and the ROK people, including politicians, dissidents, religionists, and businessmen, as well as by its so-called policy of "promoting exchanges with the United States while shutting the door on South Korea." The expansion of exchanges, reconciliation, and cooperation between South and North Korea and the further construction of a national economic community must begin with inter-Korean economic cooperation. To this end, North Korea should now resolve the light-water reactor issue in a reasonable way. Our enterprises should also know that it is inevitable that they must approach North Korea on a step-by-step basis and should be patient and orderly in advancing into North Korea, carefully watching the development of North Korea-U.S. talks.

North Fires on PRC Boat, Bars Liu Huaqing Visit

*SK1905022395 Seoul CHUNGANG ILBO in Korean
19 May 95 p 3*

[By correspondent Mun Il-hyon from Beijing]

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This source also revealed: "Recently, China explored the possibility of Liu Huaqing's visit to North Korea, but it was scrapped due to North Korea's refusal."

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Reportage on Russian Defense Minister's Visit

Grachev Supports Armistice System

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[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — Defense Minister Yi Yang-ho conferred with visiting Russian Defense Minister Pavel Grachev Friday afternoon and they shared the view that the Korean armistice system should be maintained and direct South-North dialogue should resume for peace on the Korean peninsula.

The Defense Ministry reported Minister Grachev, in particular, said that he absolutely supports the non-nuclearization declaration made by the South Korean Government in 1991 and that North Korea should abide by all the rules of the International Atomic Energy Agency (IAEA).

A ministry official said the Russian minister also said Russia well knows that the "automatic intervention"

clause of the Russia- North Korea Friendship, Cooperation and Mutual Assistance Treaty signed in 1961 is outmoded and not suitable to the reality.

"Our government is currently reviewing the clause and will notify North of the outcome of the review by August this year," Minister Grachev was quoted as saying.

The clause at issue calls for automatic military intervention by one of the two signatories in the event the other comes under military attack by outside forces.

The Russian minister said Russia and China as well as the United States would be able to contribute to the security of the Korean peninsula, adding that Russia plans to take part in the project of light-water reactors for North Korea, he said.

During the meeting, the two defense ministers signed the bilateral agreement on the protection of classified military information and also the memorandum of understanding on military exchanges in 1996-97.

Daily Views Significance of Visit

SK1905121295 Seoul HANGUK ILBO in Korean
19 May 95 p 5

[By reporter Son Tae-kyu]

[FBIS Translated Text] It is being portrayed that Russian Defense Minister Pavel Grachev's first official visit to the ROK has special significance because of its timing and scale.

The visit is in response to the former Defense Minister Yi Pyong-tae's visit to Russia last year. However, when considering the delicate atmosphere surrounding the Korean peninsula at this time and the fact that the visiting group includes high-ranking officials, it is being observed that pending military issues between the two countries and the situation in Northeast Asia will be discussed extensively.

Since the establishment of diplomatic relations between the two countries in 1990, it seemed that Russia had been slightly leaning toward our side. However, its policy on the Korean peninsula is currently moving toward a balanced policy with North Korea on account of Kim Il-song's death and the DPRK-U.S. Geneva agreement.

Through the establishment of diplomatic relations with the ROK, Russia wanted considerable consideration in military relations, such as to export its weapons, but it recognizes that it has not reached the level it wants regarding this matter. On the other hand, the prevailing analyses are that North Korea maintains the weapons system from the old Soviet Union aimed at securing its

existing special relations with Russia; Russia's role and function in the DPRK-U.S. nuclear negotiations process has been relatively eliminated; and Russia is planning to establish new relations with North Korea if it is to secure the leadership in the Northeast Asian region.

Such Russian intentions were revealed when Deputy Foreign Minister Panov visited North Korea during the fall of 1994; early on recognized the Kim Chong-il system; reopened 70 DPRK plants assisted by the old Soviet Union; postponed the payment of foreign debt amounting to \$4.1 billion; and supplied missile fuel and spare parts for the MiG-23s and -29s (to the North).

It seems that through the ROK visit of Russia's top-level military executives, including Minister Grachev, Russia's intention is to calmly examine the practical interests it will have if it improves relations with the ROK. There is a possibility that while seeking to restore relations with North Korea through military assistance, Russia may also try to obtain our side's practical cooperation. To protect its munitions industry following large-scale disarmament, Russia has designated weapons exports as its number one task. It ranks the ROK, China, and the Middle Eastern countries as potential markets for the export of weapons. Fifty percent of the first repayment of its economic cooperation loan was made by weapons. It seems that Minister Grachev will propose the same criteria for the rest of the repayment of the economic cooperation loan. There is also the possibility that Russia will demand weapons purchases and transfers of technology for manufacturing weapons to the ROK.

In particular, during Minister Grachev's visit to the ROK, it seems that there will be a dispute surrounding abrogation of the clause on automatic military intervention in the Russia-DPRK Friendly Cooperation and Mutual Assistance Treaty. When President Kim Yong-sam visited Russia in 1994, President Yeltsin promised to scrap the clause. Therefore, it seems that our side will strongly urge Russia to abide by its promise during Minister Grachev's visit here. However, it is unknown whether Russia will keep its promise.

Through Minister Grachev's visit, it seems that Russia will propose the formation of a multilateral security council in Northeast Asia. As an extension of the old Soviet Union's policy toward Northeast Asia, Russia had talked about the formation of a multilateral security council on many occasions to secure its position in the Asia-Pacific region. In connection with North Korea's nuclear issue, it seems that Russia will convey its intention on the adoption of the Russian-model light-water reactor and put forth its own way to solve the armistice system.

Expectations for Visit Previewed

SK1905035495 Seoul THE KOREA TIMES in English
19 May 95 p 3

[FBIS Transcribed Text] Russian Defense Minister Pavel Grachev will visit Korea at the invitation of his Korean counterpart Yi Yang-ho for three days beginning today, the Defense Ministry said yesterday.

During his visit, Grachev will sign a memorandum of understanding on military exchanges between the two countries. He will hold a series of talks with Korea's top military brass, including Gen. Kim Tong-chin, chairman of the Joint Chiefs of Staff. He will also pay a courtesy call on President Kim Yong-sam and Foreign Minister Kong No-myong.

Expected to be high on the agenda are beefed up military exchanges, especially focused on Korea's purchase of military hardware, and the coordination on North Korea's nuclear issue.

Russia is expected to entice Korea to purchase cheaper military hardware than the U.S. offers. The Korean armed forces are also in the process of diversifying the sources of its military purchases from other than the U.S.

Asked about Korea's plans to diversify the sources of procurement, a senior ministry official said, "We are eager to do so," admitting that Korea's current military posture is too dependent on the U.S.

He also said that the meeting between defense ministers of the two countries is becoming regular, indicating the two countries have deepened military ties. The ministers met two years ago. Because of Russia's policy to renew their military MODs [expansion unknown] every two years, the meeting is set to become regular. Korea and the U.S. hold their Security Consultative Meeting every year to coordinate their joint military posture.

He will also tour the truce village of Panmunjom.

Grachev, a pillar of the Boris Yeltsin administration, is a veteran paratrooper, who participated in the Afghanistan conflict, called the then-Soviet Union's Vietnam war. He visited South Korea in '92, accompanying President Yeltsin.

The Russian Army general will be accompanied by 12 senior military officials, including Air Force Chief of Staff Gen. Petr Stepanovich.

Russian Official: Pact With DPRK 'Dead Paper'

SK1905124095 Seoul YONHAP in English
1235 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — Russian Vice Foreign Minister Aleksandr Panov, now on an official visit here, said Friday [19 May] the present armistice system of Korea should be maintained until a new peace mechanism sits in on the Korean peninsula.

In a meeting with his Korean counterpart, Vice Minister Yi Si-yong, Panov reaffirmed that the Russia-North Korea Friendship, Cooperation and Mutual Assistance Treaty has already become a dead paper.

A Foreign Ministry official said Panov disclosed that a working-level review is being made in Moscow on the issue of whether to revise or repeal the treaty in line with the new international order.

"The Russian vice minister said Russia would closely consult with South Korea over the matter," the official said.

The two vice ministers decided to invigorate bilateral economic exchange programs now that the method of repaying the credits Korea extended to Russia has been agreed on, the official added.

First Energy Talks With Russia Held in Seoul

SK1905034995 Seoul THE KOREA TIMES in English
19 May 95 p 8

[FBIS Transcribed Text] Korea and Russia yesterday began their first bilateral talks on resources and energy held to discuss ways of enhancing cooperative relations and jointly developing natural resources and making mutual investments.

The Korean delegation was headed by Kim Tae-kon, assistant minister for energy policy at the Ministry of Trade, Industry and Energy, while the Russians were led by V. Kostionin [name as published], vice minister of the Russian Ministry of Fuel and Energy.

At the talks held at the Second Government Complex in the southern suburbs of Kwachon, the two delegations discussed the possibility of cooperating in the exploration of petroleum, coal and gas reserves.

Delegation To Visit Ethnic Koreans on Sakhalin

SK1905074195 Seoul YONHAP in English
0648 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — A South Korean Government delegation will depart for Sakhalin Saturday to brief ethnic Koreans in Sakhalin on the government's plan to resettle them in the country.

and to seek the cooperation of the Russian Government for the project, a Foreign Ministry spokesman said Friday.

During a four-day stay on the Russian Far Eastern island, the delegation, comprised of officials from the Ministries of Foreign Affairs, Health and Welfare, and the Prime Minister's Office as well as the Korean Red Cross Society, will hear the opinions of the ethnic Koreans in Sakhalin regarding the resettlement project, the spokesman said.

South Korea and Japan agreed last year that they will build a sanitarium for 100 elderly ethnic Koreans in Sakhalin who want to settle in the country.

The two also agreed to construct apartments to accommodate 500 households.

The South Korean Government is searching for land suitable to construct the apartments and sanitarium while the Japanese Government has already set aside 3.2 billion yen for the construction project.

Barter Trade Resumed With Taiwan

SK1905060295 Seoul SEOUL SINMUN in Korean
19 May 95 p 3

[FBIS Translated Text] The ROK and Taiwan have resumed the barter trade that had been suspended in the aftermath of the normalization of ROK-PRC diplomatic relations.

The Ministry of Agriculture, Forestry, and Fisheries revealed on 18 May that 195 tonnes of bananas shipped from Keelung Port, Taiwan, arrived in Pusan Port this afternoon.

The ministry said that the ROK and Taiwan had agreed to exchange ROK pears and apples worth \$10 million for the Taiwan bananas that were brought in yesterday as the first shipment since 1992 when ties were severed with Taiwan.

Police Raid Hyundai Plant, Arrest Strikers

SK1905043095 Seoul YONHAP in English
0224 GMT 19 May 95

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, May 19 (YONHAP) — Police raided the Hyundai Motor Co.'s plant here at 4 am Friday and took into custody all of the 300-odd striking unionists.

An army of over 1,000 riot policemen, waiting at the Hyosamun crossroads and outside Hyundai Precision and Industry Co., raided the plant through its front and Myongchon gates, and in about 20 minutes rounded up all the workers who were continuing a sit-in strike.

Among those taken to police stations was Yi Sang-pom, co-chairman of "The Measures Committee for Yang Pong-su Self-Burning," the group which masterminded the allegedly illegal walkout. Yang, a dismissed unionist, attempted to burn himself to death last Friday demanding his reinstatement, subsequently touching off a work boycott by hundreds of hard-line workers.

The workers staged the sit-in using pitched tents as shelter through the night. Police whisked the strikers away to police stations after the raid.

When police surrounded over 20 tents, the striking workers complied with police instructions without much resistance and no clash took place as was previously feared.

The detained workers are undergoing interrogation at three police stations in Ulsan — Ulsan Tongbu, Nambu and Chungbu police stations.

In an effort to arrest the 12 alleged masterminds of the stike, against whom arrest warrants have been issued in advance, some 200 policemen are continuing their search at each factory. Police intend to block the front gate and keep hard-line unionists from entering the precincts Friday morning.

Police have also decided to block Hyundai group companies' trade unions from staging protest rallies.

When the police raided the plant, workers on guard blew whistles to awaken their colleagues. But plainclothesed policemen and riot police troopers surrounded the tents in three columns and overtook them.

The workers shouted "Non-violence! Non-violence!", and made little resistance before they were taken to police buses waiting outside.

Yi Sang-pom, asked about to comment on the events of the last several days, told reporters, "I've done all that I can do based on my convictions. I'll continue to work for the cause of a democratic labor movement."

In the meantime, the Hyundai Motor Co. trade union expressed regret over the police raid, maintaining that it was "a rash move falling short of resolving the issues."

Recalling that the trade union has done its best to resolve the present situation by reaching agreements with management, the trade union demanded that police forces remaining at the plant be withdrawn immediately.

The police raid at Ulsan plant of Hyundai Motor Co., dubbed "Operation Ulsan Bay," was a lightning-fast maneuver carried out by surprise.

Past police raids of Hyundai Group plants required 30 to 40 companies of riot police. But deployed in the Ulsan

area were only 10 companies, consisting of over 1,000 troopers. Accordingly, very few, even among senior police officers, were aware of "Ulsan port operation" in advance.

The prosecution, in an apparent attempt to keep the operation secret, did not get the arrest warrants issued until late Thursday night.

Deputy head of the South Kyongsang provincial police agency, Song Nak-hap, said, "we have succeeded in the operation with only the 10 companies of South Kyongsang provincial riot police."

"In the past, police raids managed to work only with huge forces and after having considerable clashes with strikers. Having succeeded in the raid with a small police force and without any clash, it appears lots have changed," Song added.

In the meantime, Ulsan citizens breathed a sigh of relief upon hearing the news of the successful police raid and expressed a hope that the Hyundai Motor plant will resume operations at an early date.

Of the 450-odd firms supplying auto parts to the Hyundai Motor Co., over 100 are located in the Ulsan area. These firms began making preparations to renew their flow of supplies to the auto plant.

President Yu Hui-chun, 61, of Hanil Ihwa Co., one such firm, commented, "the early-morning police raid was well executed. We are having an automobile boom under which we can hardly meet the export demand. Auto manufacturing should never again be suspended due to a labor dispute."

Pyon Chae-ho, 36, a company employee, said, "I don't have any sympathy for the strikers because they, in defiance of the incumbent trade union leadership, tried to mastermind a strike at a time when production was rising thanks to a harmonious labor-management relationship. We also should initiate an advanced labor movement in which the union demands its rights while working hard in place of a politically-oriented trade movement."

Some citizens on the other hand expressed a fear that the police raid might invite labor unrest at other affiliates of the Hyundai Business Group.

Strikers' Arrest 'Firm Policy'

SK1905060095 Seoul YONHAP in English
0444 GMT 19 May 95

[YONHAP News Analysis: "Police Raid Viewed as Firm Gov't Policy Against Illegal Strike"]

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, May 19 (YONHAP) — The police's pre-dawn raid on the Hyundai Motor Co.'s factory here Friday is viewed by many as an expression of the government's firm policy to crack down on illegal strikes that harm social order and the economy.

The nation's largest automaker suspended operations at its factory in Ulsan when faced with a sit-in strike by hardline unionists, resulting in law-enforcement authorities using riot police to end the sit-in because the nation's leading auto exporter was suffering heavy losses at a time when the automobile industry was enjoying an export boom, a result of the strong Japanese yen.

The walkout, triggered by a dismissed worker's attempt on last Friday to burn himself to death while protesting his dismissal, set the company's production back 16,000 units, an estimated loss of 130 billion won as of Thursday, and caused some 450 firms supplying auto parts to Hyundai to stop their operations.

The illegal strike, if left unchecked, could have spread to other firms owned by the Hyundai Group and to many other workplaces across the country, because it was directly supported by hawkish unions in the country, including the alliance of Hyundai Group unions and the Democratic Federation of Trade Unions Organizing Committee.

Facing such a bleak situation, the government felt the need to bring the sit-in to an end as soon as possible.

The public is critical of the unlawful strike because it was staged not by the company's lawful union but by hawkish unionists opposing the union leadership, and this critical view of the public was a source of encouragement to the police's pre-dawn crackdown.

The alliance of Hyundai Group unions and the Democratic Federation of Trade Unions Organizing Committee promised their all-out support to Hyundai Motor's strike in a solidarity meeting held with the striking workers on Wednesday, while encouraging the workers to link the strike to the wage raise struggle slated for June.

Hawkish unionists from other firms in the Ulsan area owned by the Hyundai Group, including Hyundai Precision and Industry Co. and Hyundai Flange Co., also

started work boycotts Tuesday, in a show of support for their comrades at Hyundai Motor Co., while the Hyundai Heavy Industries' Union is planning to raise a labor dispute.

These developments further provided the grounds for police action against the Hyundai Motor strike because the illegal strike could expedite labor movements in other factories in the Ulsan industrial area, and others, to such an extent it might harm the entire economy.

Hawkish unionists, such as the Democratic Federation of Trade Unions' Organizing Committee, are moving to wage a nationwide chain of strikes to challenge the government's labor policy before the June local elections. Police action against the illegal Hyundai Motor strike is seen by some as an attempt to forestall such a labor movement.

In addition, because the strife at Hyundai Motors is seen as an internal rift between hawkish and dovish members within the union, it is believed that settlement of the issue will only come via dialogues between the two rival factions. But there have been no indications that such a settlement is possible, nor is it believed the company has the power to settle it, another contributing factor to the police action.

But the police raid is feared to have provided hawkish unionists, such as the alliance of Hyundai Group unions and the Democratic Federation of Trade Unions Organizing Committee, with the justification they need to step up their labor movements.

The alliance of Hyundai Group unions said Thursday it would launch solidarity movements if police used force to end the Hyundai Motor strike, while the Democratic Federation of Trade Unions Organizing Committee threatened to advance its general strike offensive, scheduled for June, to May if police intervened in the Hyundai Motor strike.

Thus, industries with hawkish unions will suffer from the aftermath of the police's pre-dawn raid on the Hyundai Motor Co.'s illegal strike Friday.

Official on Hyundai, Telecom Unrest

SK1905124295 Seoul YONHAP in English
1232 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — The government has decided to expeditiously act against unlawful union activities, legally dealing with anyone involved in illegal activities.

Deputy Prime Minister Hong Chae-hyong disclosed the decision in a special appeal he made to the people, in which he asked workers, employers and ordinary people

alike to cooperate in maintaining industrial peace so that the present favorable economic opportunity won't be ruined by unlawful labor activities.

In a press conference at the Kwachon Government Building, Hong said the government would do all it can to normalize the operation of the dispute-stricken Hyundai Motor Co. and Korea Telecom at an early date so as to minimize the effect they would have on the national economy.

He said it is intolerable that acts of violence have occurred at the two major companies at a time when he said the air of labor-management harmony is spreading.

As of Friday, wage negotiations have been completed at 1,590 companies or 28.5 percent of the total and labor-management cooperation has been voluntarily declared at 1,563 firms, Hong said.

Government To Restructure Securities Industry

SK1905040995 Seoul THE KOREA HERALD
in English 19 May 95 p 7

[FBIS Transcribed Text] The government will restructure the domestic securities industry ahead of schedule in tandem with rapid change in the world financial environment, Deputy Premier and Minister of Finance and Economy Hong Chae-hyong said yesterday.

For that purpose, the government will come up with a draft plan for the reorganization originally scheduled for 1996-97, by late next month, Hong said in a breakfast meeting with top financial managers held at the Hotel Lotte.

The restructuring of the securities industry involves allowing securities companies and investment trust firms to enter their respective business areas.

Hong said that the government will put forward a specific plan by late next month for permitting investment and finance companies to transform themselves into merchant banks and other financial institutions.

The government will also improve the current bank trust account system and impose a limit on bank lending from trusts deposits to individuals, their immediate relatives and those with special business ties, Hong said.

Insurance companies will be allowed to manage their assets up to a certain ceiling on their own in the future, which will not be subject to government regulations, the nation's top economic policymaker said.

He went on to say that the government will soon announce a comprehensive plan for developing the bond market.

Under the plan, the government will issue government bonds with a seven-year maturity starting July and will push ahead with lengthening the maturities of national bonds, Hong said.

As a mechanism for preventing any side effects resulting from the projected financial reforms, the government will soon introduce a deposit insurance system and strengthen prudential supervision on banks, he said.

In addition, the government will push for legislation on financial futures and step up its inspections on derivatives whose value is based on underlying commodities such as currencies, indexes and interests, he added.

When new financial regulations are imposed in the future, the government will introduce a "sunset" system under which the restrictions will be temporary and will be abolished after a certain period, Hong said.

No Tae-u Answers Queries on Kwangju Uprising

SK1905101495 Seoul YONHAP in English
0737 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — Former President No Tae-u claimed Friday [19 May] that the expanded enforcement of the emergency martial law and the establishment of the Special Committee for National Security Measures, in 1980, were executed in accordance with pertinent laws and thus perfectly legal, and that they were required to cope with the national crisis at the time.

He made the statements in a letter where the former president was responding to questions asked by the prosecution presently investigating charges brought against him, former President Chon Tu-hwan and others, in connection with the military suppression of the Kwangju citizens' democratization movement in May 1980.

The Seoul District Public Prosecutor's Office, acknowledging the receipt of No's letter, said former President Chon is expected to submit his reply to similar questions by May 27, as his request that the May 20 deadline for submitting a reply to the queries be extended a week was accepted.

Regarding the alleged machine-gun fire against Kwangju citizens by a martial law command helicopter, the prosecution said the U.S. Catholic priest who made the allegation had been summoned for questioning to examine what he witnessed during the democratization movement in Kwangju 15 years ago.

Article on Past Military Coup Attempts in North

SK1805125495 Seoul IRYO SINMUN in Korean
21 May 95 p 9

[Article by Yi Chong-pil: "The Real Aspects of Anti-Kim Chong-il Forces Within the North Korean Military"]

[FBIS Translated Text] Kim Chong-il recently organized "the 2.16 Unit," which is a special secret bodyguard unit in charge of guarding only Kim Chong-il. This organization, named for Kim Chong-il's birthdate [16 February], is made up of about 2,000 members selected from orphans from the Korean war and bereaved children of revolutionaries. At the end of last year after Kim Il-song's death, Kim Chong-il replaced on a large-scale his personal bodyguards and even reinforced the unit to about 200 members.

In addition, he organized a "special mission group" within the state Security Department, which is similar to our Counterintelligence Command, with the mission of watching and investigating high-ranking officials in the Workers Party and Administration Council, as well as general-grade officers in the military, including the Ministry of People's Armed Forces and the General Staff. This organization reports directly to Kim Chong-il, and its mission is to search for and investigate conspirators attempting to overthrow the government, as well as antirevolutionary and counter-party elements. This organization is free from any interference.

This action by Kim Chong-il shows that he has been paying keen attention to activities and movements of the military.

Military coup attempts in North Korea have not been exposed to the outside due to the closed nature of the North Korean political system. However, the number of coup attempts of which our intelligence organizations and military are aware is greater than the people know, and the specifics of such instances are very concrete.

Of these instances, the largest military coup d'etat attempt involving the greatest number of generals was the "military rebellion in the Ministry of People's Armed Forces" in March 1993. A certain lieutenant general, who was commander of the 7th Division stationed in Hamhung, played the key role in the coup attempt and about 30 high-ranking general officers in the Ministry of People's Armed Forces took part. However, their scheme was detected by the state Security Department just before it was to be put into action; thus, it failed.

At the time, the prime movers of the coup d'etat put forward innovative proposals for overcoming the economic difficulties, which had been worsening daily.

In particular, they believed that if they rebelled during the inspection of nuclear facilities by the International Atomic Energy Agency, they would win international support, and the probability of success for their coup would be increased. It is likely that their action was prompted by this belief, thus shocking the people.

Most of those arrested were from the Russian Military Academy, and the commander of the 7th Division, the ringleader, was executed and most of the others were expelled in consideration of relations with Russia.

There was also talk that Kim Kwang-chin, vice minister of the People's Armed Forces, was also under suspicion of being connected with these forces. However, he survived thanks to the help of Kim Kyong-hui, Kim Chong-il's sister.

On 22 April when the shock of this incident was still fresh, a certain military unit in Sinuiju rose in revolt, objecting to an order from higher echelons. As a result, this area fell into a state of anarchy. Kim Chong-il immediately mobilized a large number of troops stationed in the nearby area and suppressed the rebellious troops. Commanders involved in the rebellion were all referred to military summary trials and were executed.

This military rebellion was not a simple movement in which only a few Army generals were involved, but a large-scale military clash between troops in Sinuiju. Therefore, this incident was reported in part and known to the world through the foreign news media.

Earlier in December 1992, general officers in the general bureau of bodyguards (director Yi Ul-sol), which was in charge of guarding Kim Il-song, attempted to rise in a coup d'etat. However, one of the generals secretly informed the state Security Department of their plans. As a result, all of them were arrested. In particular, the fact that the organization in charge of closely guarding Kim Il-song and his son, Kim Chong-il, was involved in the incident enraged Kim Il-song. Since that incident the state Security Department has become more powerful than the General Bureau of Bodyguards.

The assassination attempt against Kim Il-song in Sinuiju Railway Station in May 1987 was the first attempt aimed directly at Kim Il-song. Thus, the incident greatly shocked the people. Someone shot at Kim Il-song in Sinuiju Railway Station as he was returning from China in a special train. The bullet went astray, killing one of his bodyguards. The background and investigation of the incident still have not been made public. However, five high-ranking generals in the military defected to China after the incident, thus making people assume they were involved in the assassination attempt.

Military coups d'etat directly against Kim Chong-il have also been occasionally reported. In autumn 1991, a group of regimental commander-level officers who felt discontented with the hereditary succession system, attempted to rise in a military coup d'etat against Kim Chong-il, who did not have any military experience. However, their attempt was exposed beforehand and as a result, about 10 soldiers, including three field grade officers, were executed. In December of the same year after the incident was settled, North Korea elected Kim Chong-il supreme commander of the military, and suppression of discontent towards Kim Chong-il within the military began.

In addition, in July 1986 forces supporting Kim Pyong-il [Kim Chong-il's half brother] within the military rose in rebellion with two general-grade officers at the center. They failed to muster sympathetic forces and, as a result, they all defected to China.

It was after the eighties that the movement to oppose the Kim Il-song-Kim Chong-il system began to appear within the military.

In October 1986, O Chin-u, minister of the People's Armed Forces who accompanied Kim Il-song on his visit to Moscow, canceled his itinerary and hurriedly returned to Pyongyang and suppressed anti-Kim Chong-il disturbances within the military. In January 1982, the first session of the Seventh Supreme People's Assembly, which is similar to the National Assembly of the ROK, was abruptly suspended after one day. In addition, some contend that the fifth session of the Sixth Party Central Committee was convened according to the demands and pressure of young military officers.

Last August when U.S.-North Korean nuclear negotiations in Berlin were at a final stage, the Ministry of People's Armed Forces of North Korea issued a hard-line statement claiming that "the People's Army will not tolerate any attempts to open military facilities in the DPRK through special inspections, and will not recognize such talks." Thus, people noted the background behind the release of such a hard-line statement. It was observed that this statement was most likely released through diplomatic channels between North Korea and the United States during the ongoing talks in order to clearly reveal the position of the hard-line faction within the North Korean military, which was discontented with the government's nuclear negotiations. People speculated that the military won a victory in competition over the formulation of policies and lines, and thus obtained real power after Kim Il-song's death.

Kim Chong-il was nominated as marshal in 1993. At this time, he promoted 664 generals and 80 percent of the entire low-grade officers. In addition, he took the

initiative to increase officers' salaries by 40 percent. Immediately after the death of Kim Il-song, 58 core generals of the military pledged loyalty to Kim Chong-il before any other.

Defector Describes Private Ownership in DPRK

SK1905034595 Seoul YONHAP in English
0208 GMT 19 May 95

[FBIS Transcribed Text] Seoul, May 19 (YONHAP) — Contrary to the general perception that socialist countries prohibit the ownership of private property, some houses in North Korea remain under the ownership of private citizens and are subject to commercial transaction, a young North Korean defector who fled to South Korea in 1993 said in a book he recently published.

Yun Ung, 29, who is a student at Seoul's Korea University, claimed in the book "Geographical Travel of North Korea" that some houses handed down from ancestors still remain private property although mountains and forests are all owned by the state.

He asserted that some houses which were inherited from ancestors may be subject to commercial transaction any time, as they are acknowledged as private assets.

"Those who purchase these private houses are those who are remitted foreign currencies from their relatives abroad, those who earned money through trade, ethnic Chinese, or members of the upperclass people," Yun said, adding, "then they build new and luxurious houses on plots of land 100 to 150 pyongs (one pyong equals 3.3 square meter)."

Yun escaped North Korea via China in 1993 when he was a student at Pyongyang's Railroad College.

The trend of possessing a private house is conspicuously increasing in the cities of Chongjin, Hamhung, Wonsan, Shinuiju and Nampo, he argued. "People fret about selling their houses at the highest possible price."

He cited as an example a resident in Chongjin, North Hamgyong Province, who had lived in a small house, but later purchased a 60-pyong plot of land with money remitted from his wife's parents in Japan. "He demolished the old house on the land and built a large and luxurious house there."

Yun also said that there are privately owned automobiles and motorcycles in North Korea.

The possession of passenger cars by individuals is basically banned in North Korea, according to Yun. But from the turn of 1980s, an increasing number of North Korean citizens owned private cars, purchased with money remitted from relatives and in-laws living abroad.

"North Korean private citizens are allowed to own automobiles under the condition that they contribute to the state 30 to 40 percent of the remitted money sent from abroad, or if they donate one car to the state for every two or three cars sent by their relatives from abroad. [no endquote marks as received]

He insisted that there are about 3,000 passenger cars in North Korea.

Articles by Defector Kang Myong-to Reported

Family Background, Defection

SK1504135995 Seoul CHUNGANG ILBO in Korean
12 Apr 95 pp 1,4

[First of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] I was at an airport in Europe in May 1994. I took a deep breath. A passageway to an airplane was before me. When I entered the passageway, I would be on my way to Seoul. I might never see my aged mother, my wife, and my son again.

I also thought that if I went to Seoul, Kim Chong-il might harm my father-in-law (Kang Song-san), who is having a hard time moving around because he is suffering from diabetes.

Suddenly, I swore without even being aware of it. "Oh shit, let's go." This is what happened when I left the DPRK, where I had lived for 36 years.

I was born in Chilgol, Ha-ri, Yongsan-myon, Taedong County, Pyongyang on 12 January 1959. The Chilgol Kangs are a well-known family in North Korea.

Kim Il-song's mother, Kang Pan-sok, is from Chilgol. Also, Kang Yang-uk, Kim Il-song's great uncle from his mother's side who once served as vice president, is my great uncle from my father's side.

Originally, the Kangs were a well-known family in Pyongyang. They owned the Pyongyang glass and rubber plant. They were also rich and many were Christians. Many of them were ministers and elders. Kang Yang-uk himself was a minister.

Thus, when the ROK Army entered Pyongyang during the 25 June war, none of the Kangs were hurt. Many Kangs were law enforcement authorities, who exercised power as 'men of influence.' My father Kang Yom-kyom (78), who passed away in July 1992, once served as the deputy director of the general bureau of the construction department in Pyongyang.

My mother Sim Kye-saeng (72) once served as lecturer of party history of the Potonggang district party. As such, the Chilgol Kang name is regarded as sacred.

With a powerful 'backing' called Chilgol, I graduated from the French Department of Pyongyang University of Foreign Studies in September 1979. I immediately became a guiding [chido] member of the external affairs department of the extracurricular education guidance bureau of the central League of Socialist Working Youth of Korea [LSWYK]. In the LSWYK, I was in charge of protocol for high-ranking figures, such as foreign presidents.

From July 1982, I served as a guiding member of Room No. 39 of the Pyongyang municipal party. At that time, Room No. 39, which is under the direct control of the Workers Party of Korea [WPK] was exercising great power. I joined the WPK in 1983.

I married Premier Kang Song-san's daughter in March 1992. It was a second marriage for both of us.

In 1984, I fell in love with a 21-year-old lady at Kim Chong-il's villa situated in Majon-ri, Hamhung and married her regardless of my parents' opposition. However, we were divorced one year later.

Kang Song-san's daughter had also been married before. She was a victim of a marriage for political reasons. Kang Song-san served as premier for two terms.

During Kang Song-san's first term of office (1983-1986) as premier, she was married to a man who graduated from Pyongyang University of Foreign Studies, from where I had also graduated. He abused his wife continuously when Kang Song-san was demoted to responsible secretary of North Hamgyong Province in March 1988. When his father-in-law was demoted, he turned his back on his wife.

This was very unpleasant to Premier Kang, who is straightforward when developing and severing relations. Premier Kang took the initiative and made his daughter get a divorce. Fortunately, the couple did not have any children.

Our relatives then took the initiative of introducing us and thus we were married. Since my uncle was a classmate of Premier Kang's at the Mangyongdae Revolutionary School and both families knew each other very well, there was no opposition to our marriage.

A skeptical person did say: 'How can a premier have a criminal for a son-in-law?' This was because I had once been detained at the No. 18 management office revolutionization work site. I would likely to clearly state, however that a detention camp of a management office and a revolutionization work site

are very different. The management office is a mining workhouse where about 50,000 workers are detained. However, a revolutionization work site, which is set up separately, does not carry out forced labor, but conducts military discipline training units for the special class. That is, cadres who are regarded as having lost party spirit are sent there for two to three years to carry out light work and are then reinstated to their work sites. Kim Yong-sun, who was the delegate to the preliminary contact for the South-North summit talks, had been detained at the No. 18 management office revolutionization work site for three years beginning in 1979.

When I was at the management office, however, I saw laborers who were in the depths of misery. After witnessing such a sight, it was a fact that I loathed Kim Chong-il for the situation of North Korea's reality.

I left the camp in October 1985, one and a half years earlier than the original period of three years, by using my connections as a member of the Chilgol family. I then served as vice president of the Kumsusan Assembly Hall accounting department (external title: Nungna 888 Trading Company) and exported cars and imported oil. Business took the form of buying used Japanese cars and then selling them to China. Business was good. Even after excluding the original investment of \$600,000, arranged by my father-in-law, the net profit amounted to \$600,000. With that money, oil and gasoline which were needed immediately, were imported, thus I received a letter of thanks from Kim Il-song. I once drove a Mercedes Benz and a Toyota Crown and met friends at the Koryo Hotel.

I went to Beijing in May 1994. The purpose of the trip was to put the finishing touches on my business and meet with people I knew. However, this was a mistake. I was allowed only to go to Yanji, but I went farther than the garrison town region.

A few days passed after the day I was scheduled to return. When I disappeared, some 40 men including those from the political security department started to pursue me. This was to prevent the son-in-law of the premier of the North Korean Administration Council from defecting to the South.

I decided to go to Europe. It was evident that if I was dragged back to Pyongyang, not only would I suffer hardships, but Kim Chong-il would never allow me to go overseas again. When I entered the airplane with heavy steps, I could still hear the words of my friend, a high-ranking North Korean cadre, who whispered to me as he was leaving Pyongyang: "Myong-to, if in any case you escape North Korea, go to the United States. North Korea will be ruined soon."

Kim Chong-il, Kim Pyong-il Discord

SK1604054495 Seoul CHUNGANG ILBO in Korean
13 Apr 95 pp 1,4

[Second of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] When he was alive, Kim Il-song showed more affection for Kim Pyong-il, his second son, than Kim Chong-il. Kim Pyong-il not only greatly resembled his father, but there were many opportunities for Kim Il-song to show paternal love to him.

Kim Chong-il was born on 16 February 1942 near Khavarovsk, the Soviet Union, at a time when Kim Il-song was very busy with the anti-Japanese guerrilla movement.

Also, after liberation Kim Il-song had no time to look after Kim Chong-il due to the founding of the Workers Party of Korea and the 25 June war. Therefore, Kim Chong-il grew up under the care of Kim Il-song's maternal cousin, Kang Po-pi, until he was 15. Also, when his half brothers Kim Kyong-chin and Kim Pyong-il rode in automobiles, Kim Chong-il wore rubber socks [Kim Chong-il's feet served as "tires"]. In a nutshell, Kim Chong-il did not receive his parents affection appropriately and spent an unhappy childhood as a "half orphan."

In contrast, Kim Pyong-il, who was born in 1953, moved about here and there, but grew up under the care of Kim Il-song and Kim Song-ae while doing cute things in front of them. Kim Il-song, who took good care of his second son, once said the following regarding Kim Pyong-il: "A likely general has been born in our family."

Kim Pyong-il himself had also said: "I will reunify the fatherland by arms and worship my father in the reunification plaza."

In particular, what I would like to touch on is the fact that Kim Song-ae, Kim Chong-il's stepmother, was directly involved in the death of Kim Chong-il's natural mother, Kim Chong-suk.

It is known that Kim Chong-suk died in 1949 from a serious hemorrhage during childbirth.

However, according to adults in our family, Kim Chong-suk's situation was not bad enough to lead to death.

She would have lived if doctors were present. However, it was said that Kim Chong-suk refused treatment from doctors.

At that time, Kim Chong-suk had already sensed that Kim Il-song was secretly having an affair with his typist Kim Song-ae.

Therefore, it was widely rumored among the relatives that it was inevitable for Kim Chong-suk to wage a life and death struggle to force Kim Il-song to choose either Kim Song-ae or her.

However, Kim Il-song, whom she was waiting for, did not show up in the end.

Then, when Kim Chong-suk sensed that her husband's mind was not on her, she refused to be treated by doctors, and thus died. Ultimately, Kim Il-song's and Kim Song-ae's reckless love affair led to Kim Chong-suk's death.

Kim Chong-il, who found out about the details of his mother's tragic death, had complicated feelings toward Kim Il-song and Kim Song-ae. He bore respect and hatred toward Kim Il-song, mixed with love and hate; and vehement hatred toward Kim Song-ae. This can be seen from the fact that Kim Chong-il had not once called his stepmother, "mother."

The Kim Chong-il-Kim Pyong-il discord began to flare up when Kim Pyong-il entered the Security Guard Bureau on the occasion of the Panmunjom ax incident on 18 July 1976 [the incident in which North Korean soldiers killed American soldiers with axes]. Since North-South relations were rapidly becoming more strained at that time because of the incident, Kim Pyong-il was the first one to hold a rally by leading his classmates at the Kim Il-song University. Following this, he voluntarily joined the mechanized battalion in the Security Guard Bureau together with Kim Chang-ha (son of Kim Pyong-ha, director of the State Security Department) and Chon Wi (son of Chon Mun-sop, director of the Security Guard Bureau). He even organized a suicide squad to prepare for the contingencies of war against South Korea. Kim Pyong-il was promoted to colonel, holding the position of deputy operation officer in the Security Guard Bureau.

As his position was upgraded, Kim Pyong-il began to lead a dissolute life. He got together with his followers, including Kim Chang-ha, in Kim Pyong-ha's residence in the Taesong District, and often indulged in wine with them. He invited female members of the People's Army ensembles, played with them, and gave them gifts, including Kim Il-song name-engraved watches. His followers even shouted, "Long live Kim Pyong-il!" This act cannot even be imagined in the North Korean society where only the Kim Il-song's monolithic system is firmly established. On the other hand, Kim Chong-il closely watched and grasped details of such activities

by Kim Pyong-il through the No. 10 Office. This office, formed in 1978, is a special organization which collects and reports all rumors and information concerning the monolithic system within North Korea.

Kim Chong-il, who had been waiting for a chance, directed Yi Tong-chu, political member of the Security Guard Bureau, to submit all materials on Kim Pyong-il. Kim Chong-il thought that if this order were given to Chon Mun-sop, director of the bureau, thorough investigation might not be possible because of his son's involvement.

When the materials that recorded every move and activity of Kim Pyong-il were completed, Kim Chong-il showed the materials to Kim Il-song. Kim Il-song was enraged when he read the documents.

In particular, Kim Il-song was inflamed with anger over Kim Pyong-il's "making love" with female members of the ensembles, and over the shouting, "Long live Kim Pyong-il!" Kim Il-song immediately ordered the "dismissal" of Kim Pyong-il. Thus, Kim Pyong-il was forcibly discharged from the Army. In addition, key members in the office of the bureau where Kim Pyong-il belonged were all moved out to local areas, and a label was attached to their transfer that they should not be nominated as key members again.

Thus, Kim Pyong-il was no longer able to maintain his dignity and authority. He then went to East Germany on the pretext of pursuing academic studies. However, he was practically forced to go to East Germany. Since that time, he has been roaming about in Hungary, Bulgaria, and the like. In other words, the crown prince became a wanderer on a single morning. I can positively say that no one within the North Korean Army supports Kim Pyong-il at present.

Kim Chong-il's Power Usurpation

SK1704120195 Seoul CHUNGANG ILBO in Korean
15 Apr 95 p 3

[Third of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] In North Korean history, the period from 1970 to 1985 can be called "the time of Kim Chong-il's scramble for power."

During this time, Kim Chong-il appeased the first generation of the revolution, who were displeased with his inheriting power, while removing Kim Pyong-ha, the director of the Political Security Department who wielded enormous power, and the like.

At the same time, Kim Chong-il succeeded in alienating Kim Il-song from Kim Song-ae, his stepmother, on the pretext of the former's health.

As a result, Kim Chong-il emerged in 1985 as the greatest power holder in the DPRK, grasping full control over the party, the government, and the military.

When Kim Chong-il graduated from Kim Il-song University in 1964 and became secretary of the Workers Party in September 1973, a great number of obstacles were laid in his path.

First, the structure for power succession outlining the system "Kim Il-song to Kim Yong-chu (Kim Il-song's younger brother) to the next generation" was tacitly winning sympathy within ruling circles. Thus, power was naturally centered around Kim Yong-chu, who grasped control of all organizations of the Workers Party. Furthermore, Kim Song-ae was exercising enormous influence over the presidential palace.

In addition, old, senior figures from the first generation of the revolution—including Kim Tong-kyu, Kim Il-song, Pak Song-chol, O Chin-u, and the like—were treating Kim Chong-il as a "boy smelling of milk." They wondered "what profound knowledge Kim Chong-il, only a little over 30 years old, could have gained, and whether he could conduct politics."

Amid this situation, Kim Chong-il was promoted as a Political Bureau member of the Workers Party in February 1974, offending the elderly leaders.

The one from the first generation of the revolution who attempted to reflect such feelings was Vice President Kim Tong-kyu. Kim Tong-kyu participated in the anti-Japanese movement in its early days, during which time his left arm was cut off by the Japanese military police. He was practically the number two man in North Korea at the time. In June 1976, he claimed "they raise the issue of successor to power too hastily." This touched off a whirlpool within the Workers Party.

However, Kim Chong-il decided to take no notice of this incident until 1978. Although Kim Il-song was an expert in eliminating his political rivals, it was difficult for him to purge Vice President Kim Tong-kyu at once by branding him as a factionalist because Kim Il-song still had to pay attention to the feelings of the first generation of the revolution.

While the Kim Tong-kyu incident was momentarily submerged, the Yi Yong-mu-O Chin-u discord flared up.

Yi Yong-mu was the husband of Kim Il-song's cousin.

Yi Yong-mu was from Kang's family (the parents of Kim Il-song's mother) and served as a political member in an Army division. However, he was rapidly promoted as director of the General Political Bureau of the People's Army.

In a meeting with Yi Yong-mu one day, Kim Il-song asked "are you still a plain political member?" and promoted him to director of the General Political Bureau at a breath.

The director of this bureau has enormous power, including control of personnel management for corps and divisions commanders of the People's Army.

Although Yi Yong-mu was quick-tempered, he was also talented at pleasing Kim Chong-il. From his early days in college, Yi mingled with Kim Chong-il. Yi built a magnificent, luxurious house on Mt. Changgwang in Pyongyang where he brought female members of the People's Army ensembles, aged 19 and 20, for Kim Chong-il. These are the so-called joy squads.

Together with Kim Chong-il, he travelled to his summer houses built in many places across the country, making various types of dissipated junkets, riding in turn in the new Benz-300 model, of which he had five; Lincoln Continentals; and the like.

Yi Yong-mu became so impertinent as to say "I understand what you say..." to Kim Chong-il at unofficial occasions, talking plainly. This was possible because both had a common factor (their exceeding fondness for women) and because Kim Chong-il trusted Yi 100 percent.

However, the one who put the brakes on the arrogant acts of Yi Yong-mu was O Chin-u, minister of the People's Armed Forces.

The appointment of a commanding general of the First Corps located in Kwangwon Province had touched off a problem. O Chin-u, who was from the First Corps, intended to appoint as corps commander a figure from the first generation of the revolution. However, Yi Yong-mu attempted to post his own confidant to this position.

Discord between Yi and O was finally heralded to Kim Il-song. As the situation developed into a "confrontation between Kim Chong-il and the first generation of the revolution," Kim Chong-il, who was quick-witted, immediately took the step of banishing Yi Yong-mu to a forest office in Nangnim County in Chagang Province as its deputy manager. He then solicited Kim Il-song in 1977 asking that O Chin-u hold the position of director of the General Political Bureau in addition to minister of the People's Armed Forces.

This was because Kim Chong-il judged it necessary to keep happy figures from the first generation of the revolution who were regarded as useful for his taking of power, such as O Chin-u, although he is somewhat dull.

This incident also served as an occasion for strengthening the Kim Chong-il-O chin-u relationship, which had been estranged for some time. However, Kim Chong-il did not have close relations with all elderly figures from the first generation of the revolution.

Kim Chong-il ordered the investigation of the past career and activities of Kim Tong-kyu, who rose against him in the past. He forwarded the report, along with some fabricated documents, to Kim Il-song, and finally drove Kim Tong-kyu out to a remote village in North Hamgyong Province, labelling him as a betrayer of the anti-Japanese movement.

While making a trip to North Hamgyong Province for on-the-spot-guidance in the early 1980's, Kim Il-song came upon a large house. Knowing it was Kim Tong-kyu's house, Kim Il-song became enraged and ordered the house dynamited. He then sent Kim Tong-kyu to No.16 Political Prisoners' Camp in Hwasong, North Hamgyong Province.

In a single morning, the second most powerful man in North Korea was reduced to a political prisoner who had to farm with his own hands and eke out a life with 500 grams of corn a day.

Vice President Kim Tong-kyu died in 1984 after suffering from malnutrition and disease caused by pent-up rage.

Kim Chong-il, Kim Pyong-ha Relationship

SK1804084195 Seoul CHUNGANG ILBO in Korean
18 Apr 95 p 3

[Fourth of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] In seizing power, Kim Chong-il likes to use a method of wholeheartedly placing confidence in his aides and then, whenever he judges that their influence has increased too much, he relentlessly eliminates them. A main example of this was Kim Pyong-ha, director of the Political Security Department.

Originally, Kim Pyong-ha was Kim Il-song's adjutant. He once served as minister of Public Security and then became director of the Political Security Department in May 1973.

In North Korea, the Political Security Department is a notorious political surveillance organ in which even a crying child will stop crying at the mention of its name. It not only eavesdrops on the congress of the Political Bureau of the Workers Party of Korea (WPK), but also killed hundreds of people who offended Kim Il-song and the department. The department is also equipped with eavesdropping devices in all the houses of high-ranking cadres. Therefore, the cadres would exchange whispers in their kitchens to avoid being eavesdropped upon. The department is just like the former Korea Central Intelligence Agency and the Defense Security Command combined.

Kim Pyong-ha who occupied a seat as director of the Political Security Department, became Kim Chong-il's right arm before and after 1973-1974. Kim Pyong-ha was the only person who could go into Kim Chong-il's office at any time without an appointment. This is because Kim Chong-il had complete faith in the words of Kim Pyong-ha.

Once Kim Pyong-ha became an accomplice of Kim Chong-il, he gradually acted in collusion with Kim Chong-il, and lived a lavish life. He built a country house noted for its scenic beauty and enjoyed both wine and women.

I once visited the country house. The place was shut off so that not even an ant could enter within 10 ri of the country house. He built an enormous, luxurious house with one wall covered entirely by a television screen, and another wall exhibited all kinds of luxury foreign goods such as Omega and Rolex watches. Kim Pyong-ha and Kim Chong-il were surrounded by half-naked girls of the joy squad and drank and played cards. The person who won gave gifts to the girls. Out of greed to receive gifts, the girls shouted and cheered him on: "Comrade director, we hope you win."

Kim Pyong-il [Kim Chong-il's half-brother] and Kim Chang-ha (Kim Pyong-ha's son) played a role in the demise of Kim Pyong-ha, who played the villain's role in the regime. At that time, Kim Chang-ha frequently met with Kim Pyong-il at his father's house in Amisan, and at times he even shouted: "Hurrah for Kim Pyong-il!" Kim Pyong-ha was fond of his son and looked upon his actions favorably, from a distance.

Kim Pyong-ha began to think that North Korea would come under his rule if Kim Pyong-il were to become Kim Il-song's successor.

However, Kim Pyong-ha was ruined in a single day due to the "15-man incident." In 1979, when Kim Pyong-ha's acts became more vicious than Hitler's Gestapo, 15 members of the older generation and cadres of the

Political Security Department jointly sent a letter to Kim Chong-il. In the letter, the authors, all of whom had participated in the fatherland liberation war, revealed every single detail of Kim Pyong-ha's irregularities.

However, the incident soon became entangled. Kim Chong-il was busy preparing for the Sixth Party Congress and dealing with Kim Tong-kyu and Kim Pyong-il who were interfering in the succession system.

When a document related to the director of the Political Security Department was received, Kim Chong-il did not even read it properly but called Kim Pyong-ha and threw the letter to him, saying: "What is this? Be careful."

Kim Pyong-ha read the letter and turned ghastly pale. If the document were still in the hands of Kim Chong-il, who has a fiery temper, Kim Pyong-ha would have been immediately executed. Kim Pyong-ha returned to the Political Security Department, immediately arrested the 15 authors, and detained them at the No. 14 Political Prison Camp in Kaechon County, South Pyongan Province. He tried to have them executed under the charge of antirevolutionary crimes. However, this was not as easy as he thought. Since they rendered distinguished service in the fatherland liberation war, it was not easy to make false charges against them. Naturally, several months were spent merely investigating them.

Amid this vortex, an unexpected incident occurred: one of the 15 detainees escaped. He succeeded in escaping at the risk of his life, and went to the Pyongsong Brigade affiliated with the Presidential Security Forces' Chamo Castle in Pyongsong where Kim Il-song's villa is located. He went to find his younger brother who was a Political Bureau member.

His younger brother met the escapee, who looked like a beggar, and made him write down the incident in detail, then presented this document directly to Kim Il-song.

After a few days, Kim Pyong-ha was called upon by Kim Chong-il, where he began feeling awkward. Kim Chong-il left Kim Pyong-ha waiting in his office for several hours, then frisked him.

After the Sixth Party Congress ended in October 1980, the Political Security Department received a special order from its superior office stating there would be a special event tomorrow, and that all employees on official trips should return. Thus, all employees of the Political Security Department thought there would be a special event.

On that day, Kim Chong-il's royal guard brigade surrounded the six-floor Political Security Department

building in Misan-tong, Taesong District. The special order was merely bait.

After all the employees of the Political Security Department were disarmed, their ideological investigation began. Such an investigation is a blood-curdling and bone-wrenching affair. All kinds of swearing such as "son-of-a-bitch" were common.

In particular, Kim Chi-ku was in charge of Kim Pyong-ha's ideological investigation. Kim Chi-ku, the first deputy director of the party organization department, was rumored to be a tiger.

Kim Chi-ku repeatedly questioned him about the Kim Pyong-il issue. Kim Pyong-ha, who sensed his fate would be death anyway, committed suicide after three days of ideological investigation.

This occurred in March 1981.

Kim Chong-il's Lovers, Closest Aides

*SK2104130195 Seoul CHUNGANG ILBO in Korean
21 Apr 95 p 5*

[Fifth of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] Kim Chong-il's first love was Song Hye-rim. She was originally a famous North Korean movie star. She starred in the movie "Village at Demarcation Line." From Kim Chong-il's graduation from Kim Il-song University in 1964 to the time he served as deputy section chief, section chief, and vice director of the Propaganda Department of the party Central Committee, he practically lived at a movie studio and was registering innovations in film production in his own way. During that time, Kim Chong-il met Song Hye-rim and they soon became intimate.

However, Song Hye-rim was three years older than Kim Chong-il and was married. She was a daughter-in-law of Yi Ki-yong, a man of literature who defected to the North, and was a mother of two children. Her husband was working at the Education Committee under the Foreign Ministry. Kim Chong-il, who was madly in love with her, made them divorce and sent Song's husband to France as representative of North Korea's UNESCO.

Kim Chong-il and Song Hye-rim had a son. His name is Kim Chong-nam and looks just like his father. Currently, Kim Chong-nam lives in a guest house on Munsu Street in Pyongyang. He grew up to be a rake due to the lack of parental affection. He often caused trouble by sporting with women and driving a Mercedes-Benz.

In March 1993, he raised a stir by pulling out his bodyguard's gun and pointing it at a man while quarreling over a woman. Because of this, he was later beaten to a pulp. Even now, he cannot call Kim Chong-il father.

Besides Song Hye-rim, Kim Chong-il had three more women. In 1968, Kim Il-song had an instructor in the cabinet secretariat who attended to Kim Chong-il. She was a fine-looking woman. Even though they were engaged, they failed to get married. She now lives in one of the guest houses.

The one who formally married Kim Chong-il was Kim Yong-suk. They were married in 1976 or 1977. She was born in Chongjin. Now, she lives with Kim Chong-il. However, she cannot utter a word even if Kim Chong-il sleeps around with other women.

Kim Chong-il also has a hidden woman. Her name is Ko Yong-hui and she is a dancer at the Mansudae Art Troupe. She is 10 years younger than Kim Chong-il. She has repatriated from Japan and met Kim Chong-il in 1979 or in 1980. They have one boy and one girl.

It is true that until 1985, Kim Chong-il lavishly lived his life by sleeping around with women and drinking.

He played around with the girls who were members of the joy squad at the luxurious country house. Then if he was in the mood, he ordered special dishes such as a flying fish dish and a birds' nest dish from first rate hotels in Hong Kong and Macao by a special plane. It is a fact that Kim Chong-il also partied with Russian women. Chang Song-taek (Kim Chong-il's brother-in-law) and Kwon Hui-kyong, the then DPRK ambassador to Moscow, were in charge of providing the Russian women to Kim Chong-il. Kwon Hui-kyong is a toady trying only to flatter Kim Chong-il.

Currently, Kim Chong-il lives at the No. 55 official residence in Yongsong-tong located north of Pyongyang. It was built in 1982 by mobilizing the No. 1 engineer brigade (which consisted of around 20,000 people) affiliated to the office of the party Central Committee. The official residence is about 100,000 pyong [one pyong = 3.954 square yards], having everything one can imagine such as a swimming pool, a playground, a race course, and a golf course.

Kim Chong-il likes to ride horses. He rides horses brought in from Great Britain and France worth hundreds of thousands of dollars. Another hobby of his is shooting.

He used to drink Hennessy cognac but now he drinks whisky. His pancreas is weak due to his excessive drinking. He is also a heavy smoker. He also likes South Korean songs such as "My Hometown Which I Saw in

My Dream." He is a relatively smart man. However, his character is very fastidious and hot tempered. Also, Kim Chong-il respects Hitler the most. I once heard that Hitler's book "My Struggle" is used as a pillow when he sleeps. Kim Chong-il's intemperate life changed greatly in 1985. He reduced the members of the joy squad and the numbers of the country houses. This is because Kim Chong-il was burdened with an enormous amount of work which he must deal with while Kim Il-song gradually retired from his work. He had to handle thousands of matters in a day. Therefore, Kim Chong-il worked until one to two o'clock in the morning. I also heard that documents were always piled up high in his office.

Currently, Kim Chong-il deals with the documents according to the day of the week. For example, on Monday he takes care of party organization department work; Tuesday, the Ministry of People's Armed Forces; Wednesday, the office of the president and party finance; Thursday, the Administration Council; and Friday, the Central People's Committee. However, he does not work during weekends.

In North Korea, a man's power is not decided upon by his title but how close he is to Kim Chong-il. Therefore, in North Korea, four people — Kang Sang-chun (55), Yi Myong-che (60), Yi Chae-kwang (63), and Yi Chol (60) — are behind the real power. They all work at Kim Chong-il's office.

Kang Sang-chun is the same as Kim Chong-il's alter ego. He puts in order Kim Chong-il's schedule, even the minute matters such as what he eats and wears. In reality, Kang Sang-chun is also in charge of guarding Kim Chong-il. Yi Myong-che is in charge of propaganda work. Yi Chae-kwang is in charge of party documents. Yi Chol manages Kim Chong-il's secret funds deposited in a Swiss bank.

Their official title is "deputy minister of Kim Chong-il's office," but in reality it cannot by any means be compared with the deputy minister of the Administration Council. Even Kim Yong-sun, North side's delegate to the preliminary contact for South-North summit talks, has to receive approval from them and act upon their instruction.

What is noteworthy is that deep down they do not like Kim Chong-il that much. On the surface they, who directly face Kim Chong-il's slightest emotion, pretend to be loyal to Kim Chong-il, but in reality they have animosity against him.

Food Shortages, Attacks on State Farms

SK2504052195 Seoul CHUNGANG ILBO in Korean
24 Apr 95 p 3

[Sixth of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] Kim Il-song would look up at the skies above Pyongyang in the morning as he awoke to look at the chimneys of the Pyongyang thermal power station.

When he saw that dark smoke was being emitted from the high chimneys, Kim Il-song would be in the best of moods, and he would murmur: "The plants are now being operated properly."

One morning in April 1992, however, Kim Il-song's mood was at its worst. The two chimneys of the station were sending up only white, steam-like smoke. Inquiring into the situation, he found that the station workers could not operate the turbine engines because coal had not been supplied from Anju mine.

Upon hearing the report, Kim Il-song wondered, "Hasn't NODONG SINMUN reported that 'coal production plan is being overfulfilled 120 percent' every day? In a bid to solve this puzzle, Kim Il-song quietly called one of his loyal secretaries and told him to "go secretly to Anju Mine."

Without telling anyone, the secretary went to Anju mine, and upon arrival went down into a pit dressed as a miner. He saw a few miners sitting around in the dark pit, smoking cigarettes leisurely.

"Comrades, why don't you work to dig coal?"

"Who are you?" the miners asked him rebukingly.

"I am a retired army officer. I have been assigned to this mine today." Then, a mine worker replied bluntly. "Hey you, don't you know that we have no strength to dig coal?" The miners had not eaten for several days, and did not even have lunch boxes. Thus, they sat around idly in the pit. North Korean miners are supposed to receive especially nutritious foods, including 1,100 grams of grain, 200 grams of meat, and 200 grams of soy oil. While this amount would be sufficient if supplied, they had merely had salt soup for the past few days. The secretary went to the grain storage, but found no grain at all. He realized that meat was occasionally supplied, but that those in responsible posts usurped it midway.

Returning to Pyongyang, this official reported all the details of the matter to Kim Il-song. Shocked by

this, Kim Il-song asked why the food had not been distributed. At the time, Kim Il-song was unaware of whether food had been properly distributed or not.

The present North Korean economy is in a state of bankruptcy. Seventy percent of the entire economy has been paralyzed. In particular, food is in extremely short supply. The food shortage dates back as far as 1984.

At the time, North Korea sent rice to South Korea as relief grain for flood victims. However, the grain was reserve rice which remained in a very small quantity. In addition, North Korea held the so-called Pyongyang festival in 1989, which further drained the economy. Approximately 20,000 foreigners attended the festival, and food was supplied to them free of charge.

To make matters worse, North Korea had a short crop of rice from 1989 to 1993. In particular, North and South Hamgyong Provinces, Yanggang Province, and Chagang Province were unable to produce even a kilogram of rice per one chongbo [2.45 acres] in 1993 when peasants suffered losses due to cold weather, the result being only blasted ears of rice.

Consequently, food distribution was suspended in 1992. Even in Pyongyang where the food situation is known to be better than other areas, food distribution had to be suspended for three months. The situation was so bad that heads of people's neighborhood units personally visited each household to determine who was starving, giving a small quantity of grain to those near death. In other words, they distributed merely one kilogram of rice to those who were supposed to receive two kilograms.

In local areas, corn that was wet and not even peeled was distributed to residents. This was an unprecedented event in North Korean history. Furthermore, some areas did not even receive corn, and received pears instead.

North Hamgyong Province in North Korea is famous for pear production. The pear fields in state-run cooperative farms are as large as 12,000-chongbo in size. Pears produced in these fields were all exported to Russia. However, Russia refused to import North Korean pears from 1990. As a result, North Korea was forced to turn these pears into wine and feed. It was better to turn it into wine instead of leaving the pears to rot because they could not be transported. Prompted by extreme food shortages, the North Hamgyong Provincial party committee distributed pears to residents for three months from August to October 1993 as a food alternative to corn.

Some people died from eating the pears. I personally witnessed such a case at the Chongjin Hospital in October 1993. To turn the pears into food, they are

boiled in an iron pot until they are melted, then mixed with corn powder. This mixture is placed in lunch boxes to cool, and solidifies into solid matter that becomes as hard as brick. A worker in his 50's whose diet had consisted only of this mixture, began experiencing stomach pains, and was hospitalized. The physician who operated on the worker's stomach was surprised to find undigested corn and pear remaining in the worker's stomach. Undernourished, the patient died from sheer exhaustion during the operation because he was unable to endure the rigors of the operation.

As food shortages became extremely serious, the residents finally began attacking state-run cooperative farms. In other words, they decided that they would rather steal food to survive rather than wait idly to starve to death. As the number of attacks on farms increased drastically, guards were placed on round-the-clock sentry duty on farms with beacon fires. Nevertheless, the residents overpowered the guards and collectively raided cooperative farms. Some time ago, the clashes between guards and residents reached war-level proportions.

At the time, the Workers' Party also regarded this as a very serious problem because an attack on a state-run cooperative farm was interpreted as a show of resistance to the state.

Aid, Kim Chong-il Caused Poor Economy

SK2804093095 Seoul CHUNGANG ILBO in Korean
26 Apr 95 p 3

[Seventh of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] The North Korean economy has worsened due to excessive aid to Africa and as a result of Kim Chong-il. In the mid 1970's, North and South Korea engaged in fierce offensive and defensive diplomatic battles within the arena of the UN. At the time, in a bid to obtain support from African nations, North Korea offered enormous aid to Algeria, Tanzania, Madagascar, Zaire, and the like.

Construction of a Presidential Palace

There is no president among those African states who has not visited North Korea.

Kim Il-song accepted all requests made by the presidents of African nations who visited North Korea.

North Korea offered mechanical facilities, tractors, and irrigation equipment to these nations. He also provided military weapons, including automatic rifles, and even

built a presidential palace. In addition, North Korea went so far as to arm the entire army of Madagascar; Madagascar was once called "the second Korea."

Thanks to the result of this aid, North Korea held great superiority in the UN General Assembly in 1975 and 1976.

However, the North Korean economy began to suffer great setbacks about this time.

Prior to this, North Korea built heavy industry and enjoyed some reserves in this field. However, it poured all this into Africa.

What drove the staggering North Korean economy to death was none other than "Office No. 39." Kim Chong-il organized this office, and his purpose for organizing it was simple: he needed money.

At the time, Kim Chong-il went around to core members and distributed foreign-made gifts to them — including television sets, radios, refrigerators, and Omega and Rolex watches — with a view to consolidating the foundation of his political power by winning their favor.

Kim Chong-il began to realize the fascination of money, and needed more as time passed. This is the reason he formed Office No. 39. In other words, this office is a large-scale exclusive financial combine for North Korea. All gold and silver ore, zinc, steel, fishery products, and mushrooms must be exported through Office No. 39. If any other office attempts to export these items, it will be labelled reactionary since Kim Chong-il has designated this work as a national policy.

Trouble Caused by Suspension of Furnace Operation

A system was established to enable Office No. 39 to monopolize anything that can be turned into money.

The formation of Office No. 39 emptied the coffers of the Administration Council (cabinet). For example, the Taesong Bank under Office No. 39 has a great amount of money; the External Bank, operated by the Administration Council, has no money at all.

As a result, since the mid-1980's the most important foreign economic task for North Korea has been to borrow money from foreign countries.

If anyone borrowed \$1 million from a foreign country, he was lavishly accorded the title of Hero of the Republic.

North Korea felt its own economic crisis most seriously in August 1993. At that time, all the blast furnaces at the Kim Chaek Iron Works were extinguished. Originally, there were three large blast furnaces at the Kim Chaek

Iron Works, providing daily total production output of 800 to 900 tonnes.

Because of the shortage of raw materials, only one of the three blast furnaces remained in operation after 1989.

The flame of this last blast furnace was finally extinguished in August 1994. There was an uproar in Pyongyang. An emergency countermeasure committee was organized with Choe Yong-nim, who had been fostered by Kim Il-song, assuming the chairmanship of the committee. The operation of the blast furnace was suspended due to the discontinuance of coke and heavy oil supplies.

Previously, coke had been imported from the PRC; in 1993, the importation of coke was discontinued.

I later heard that the coke mine of the PRC supplier had dried up.

Choe Yong-nim mobilized all those at the iron works, had them scrape up pieces of coke scattered along railway lines, and obtained heavy oil from the military. After a month, Choe managed to kindle the blast furnace.

At that time, I had a chance to meet Choe. His face had a deadly dark look that showed how distressed he had been.

North Korea's electricity situation is also poor. The Pukchang Thermoelectric Power Plant is the largest power plant in North Korea. At present, only two of its eight turbines are in operation. At the Pyongyang Thermoelectric Power Plant, only two of its six turbines are barely in operation.

Accordingly, only the downtown area of Pyongyang is supplied with electricity; the electricity supply to other areas continuously remains suspended. Because the electricity supply to local regions has remained suspended for such a long time, those living in other regions cannot even conceive of the idea of owning television sets or refrigerators.

Plants have ceased operation due to the cutoff in the electricity and coal supply. The Chongjin Chemical Enterprise is a huge enterprise with a staff of as many as 12,000.

70 Percent of Plants Have Stopped Operation

It has been three years since Chongjin Chemical ceased operation. This is a result of the enterprise not being able to operate its boilers due to a cutoff in the supply of coal. It has been a long time since the enterprise temporarily laid off all of its staff.

Perhaps less than 30 percent of all plants in North Korea are operating normally.

Under such circumstances within the state economy, some government officials embezzle money from state coffers. A typical example is the Moranbong Watch Plant in Pyongsong. All of the facilities of this plant, which was established in 1978, had been imported from Switzerland. However, the facilities are no better than scrap iron.

The government official who went to Switzerland to import this plant was bribed to import old, dilapidated, and wretched facilities.

However, the greatest problem is Kim Chong-il. At present, Kim Chong-il possesses deposits totalling several billion dollars stored in secret accounts in Switzerland, Macao, Hong Kong, and Austria.

This money is a kind of secret fund for his regime. His largest account is in a Swiss bank. Thus, Yi Chol, North Korea's ambassador to Switzerland, is Kim Chong-il's most trusted man.

No matter how aggravated North Korea's economy becomes and no matter how badly the North Koreans starve, Kim Chong-il will not remove his money from his bank account in Switzerland.

ROK-Watching Spy Agencies, Activities

SK2804114195 Seoul CHUNGANG ILBO in Korean
28 Apr 95 p 3

[Eighth of 12-part series of articles written by Kang Myong-to, North Korean Premier Kang Song-san's son-in-law who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] North Korea looked upon ROK President No Tae-u with contempt. Ruling circles in Pyongyang used to call President No "water-Tae-u" [wimpy Tae-u], or a water-hen. A water-hen, which looks like a duck, is a faint-hearted animal that lives in a rice paddy.

However, North Korea was most fearful of President Chon Tu-hwan; Pyongyang feared he might invade the North because he is simple and naive in character. For this reason, North Korea committed the terrorist act at Aungsan in Burma in October 1983. The terrorists dispatched to Aungsan were agents of the Chongjin Liaison Office of the Department of Operations, which is located at Office Building No. 3.

The Central Committee of North Korea's Workers Party has four departments that deal with projects related to the ROK: the Department of Sociocultural Affairs, the Department of Operations, the Department of Research, and the Department of Projects for the United Front. The Department of Research is located

in the Main Office Building on Changgwang Street in downtown Pyongyang. The remaining three departments are situated in Office Building No. 3, which stands across from Kim Il-song University.

If we look only at its name, the Department of Sociocultural Affairs sounds very dignified. However, the Department of Sociocultural Affairs actually deals with operations aimed at South Korea. Its main job is to dispatch spies and conduct espionage. Its current director is Yi Chan-song. The Department of Research is an intelligence research agency that gathers and handles various intelligence from South Korea and overseas.

Operations Worked Out at Office Building No. 3

The Department of Operations is in charge of giving guidance to terrorists and agents. Kim Hyon-hui's bombing of a Korean Air Lines flight and the terrorist act at Aungsan were orchestrated by the Department of Operations. The department has Maritime Liaison Offices in each province.

The Department of Projects for the United Front was originally to deal with projects related to Japan and the united front. The department's goal is to make use of in an emergency the 600,000 resident Koreans living in Japan who are affiliated with Chongnyon. In recent days, the department has also carried out work to win over to the North Korean side resident Koreans living in the United States, referring them to the Department of Sociocultural Affairs.

What is noteworthy is that the Department of Projects for the United Front commands from behind the scenes various social organizations in North Korea whose identity is disguised. There are 13 divisions under the Department of Projects for the United Front. Division 6, where I worked, supervised the Committee for the Peaceful Reunification of the Fatherland [CPRF], the Central Committee of the Democratic Front for the Reunification of the Fatherland, the Chondoist Chongu Party, the Korean Christians Federation, and the Korean Buddhists Federation.

Evil-Intentioned Cadres Make Sport With Wives of Their Subordinates

Therefore, if a leader of an ROK opposition party visits Pyongyang at the invitation of the CPRF, he will be dancing to the tune of Division 6 of the Department of Projects for the United Front. You would not be mistaken if you interpreted the latest visit to North Korea by An Ho-sang as meaning he actually met with a Chondoist Chongu Party instructor who belongs to Division 6. The agents dispatched to Macao, Hong Kong, Japan, and Germany do not return to North Korea

for several years once they are stationed in such areas. Accordingly, the wives of such agents suffer a widow-like existence everyday. With a view to comforting such wives, the department, which deals with operations against the South, invites them to a guesthouse several times a year to present them with gifts. Evil-intentioned cadres take advantage of this opportunity to make sport with the wives of agents under their supervision.

The most remarkable mistake North Korea made in the 1980's in terms of implementing its operations against the ROK was to supply relief material to ROK flood victims in September 1984. Pyongyang proposed supplying relief material to the South's flood victims because all the spies dispatched to the ROK had filed reports to the effect: "The Chon Tu-hwan regime will never accept relief material for its flood victims." Contrary to such expectations, the ROK did accept the offer. Needless to say, North Korea had a hard time coming up with such relief. As a result, Kim Chung-nin, who at that time was completely in charge of projects related to the ROK, was immediately ousted and suffered the insult of having to dig up night soil for six months.

Chong Chu-yong, chairman of the Hyundai Business Group who visited North Korea in January 1989, greatly shocked North Koreans. Before his visit, North Korea had condemned him as "a comprador capitalist who sucks the lifeblood of the workers and peasants." However, once Chairman Chong arrived in North Korea, Pyongyang accorded him treatment equivalent to that accorded a foreign president, providing him with an airplane so he could visit his hometown of Tongchon. Residents in North Korea had a changed notion: "No matter how great a comprador capitalist one is, everything will be okay if he has money."

They have come to think of the ROK as a society where, if one works hard, one can make as much money as possible and become rich. I believe it would be a shortcut in advancing national unification to send as many people as possible like Chairman Chong to North Korea so as to change the North Koreans way of thinking.

North Korean Agents File False Reports

In the meantime, what is no laughing matter is that North Korean agents dispatched overseas are filing false reports to Pyongyang.

In December 1993, North Korea augmented by almost 200 percent its troops stationed along its border with the PRC as a result of North Korean agents in the PRC having filed false reports to Pyongyang.

The following story occurred at the end of 1993. When I traveled to the PRC, I saw many people from North Korea's State Security Department, Department of Operations, Department of Research, and Department of Projects for the United Front. There were as many as 15 such people staying at the Koryo Hotel alone. The problem was they were not engaged in espionage, which they were supposed to be conducting, but were instead spending idle time engaged in trading and drinking. I later found out that to stay in the PRC for a long time, even though the time spent there was idle, they were filing false reports to the effect: "At present, ROK commandos are stationed in the PRC and are trying to kidnap North Koreans." The reality is that Kim Chong-il and Kang Song-san, premier of the Administration Council, now firmly believe there are ROK commandos stationed in the PRC.

DPRK Nuclear Policy Discussed

SK0405030395 Seoul CHUNGANG ILBO in Korean
3 May 95 p 3

[Ninth of 12-part series of articles written by Kang Myong-to, North Korean Premier Kang Song-san's son-in-law who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] Kim Chong-il has no healthy teeth; all of them are false. This is because all his teeth were broken when he fell during a horse ride in September 1993.

When tensions increased as a result of North Korea's withdrawal from the Nuclear Nonproliferation Treaty, Kim Chong-il stayed at his office most of the time. Then, when the critical moment concerning the North Korean nuclear problem passed, he went for a horse ride to change his mood after such a long lapse of time.

Kim Chong-il likes to ride untamed British horses. When he fell from the horse, his head and arms were injured and all his teeth broken. A doctor was called in from France, where dental medicine is said to be the most developed, to make his false teeth.

If one wants to understand the North Korean nuclear problem correctly, one must understand the Pyongyang leadership's uneasiness over nuclear weapons in the ROK. North Korea felt a sense of crisis in August 1976 when the Panmunjom ax murder incident occurred. At that time, the North and South were on the brink of war. North Korea keenly felt it was less powerful than the ROK, feeling this way because there were 1,000 U.S. nuclear weapons in the ROK, while none existed in North Korea. In a word, North Korea was not in a position to fight fire with fire. Kim Il-song and

Kim Chong-il must have determined to develop nuclear weapons at this time. Yuri Andropov of the former Soviet Union played a decisive role. The Soviet Union had not given North Korea any nuclear capability prior to Brezhnev passing away. When Andropov emerged, the situation made a 180-degree turn. Andropov, the former KGB chief, pursued a U.S.- Soviet confrontation. He secretly asked North Korea to "launch an invasion." North Korea perpetrated the Aung San terror incident in October 1983 to find an excuse for invading the ROK. This is what I personally heard while working at the Ministry of People's Armed Forces.

Since then, Russia has positively assisted North Korea's nuclear development. Russia sent approximately 70 nuclear experts to North Korea; they stayed until August 1993. Also, North Korea purchased two nuclear-powered submarines in 1992. North Korea said at that time it would use them as scrap metal; however, it has not yet disassembled them.

General Kim Pong-yul was one of the people who played an important role in operating the Moscow-Pyongyang nuclear pipeline. Kim is a graduate of the Frunze Military Academy. He is also a member of the pro-Soviet faction in the North Korean military. Therefore, he does not have good relations with Kim Chong-il. However, he still has been able to maintain his position because he greatly contributed to North Korea's nuclear development in the 1980's, often traveling to the Soviet Union.

Vice directors (vice ministerial-level officials) of the Research Department of the Workers Party of Korea [WPK] Central Committee are in charge of the North Korean nuclear policy. The Research Department, whose office is located at Changgwang Street, gathers information on the ROK and the rest of the world, then analyzes it.

Vice directors, whose family names are Chang and Choe, are in charge of the nuclear policy in reality. Their real names are not known. They are top North Korean elites in their 50's.

The North Korean nuclear policy was decided on in three stages. Kim Chong-il's guidance was first sent via Kim Yong-sun to the Research Department. Upon receiving the guidance, Research Department officials (vice directors) mapped out a detailed nuclear policy based on the collected materials and the guideline. The policy draft was first presented to the director of the Research Department (Kwon Hui-kyong) and the secretary in charge of ROK affairs (Kim Yong-sun) for intermediate consultations.

Upon being reviewed, the policy draft was then presented to Kim Chong-il, where final revisions were made. The finally-formulated policy was then sent to the Foreign Ministry for implementation. This means Kang Sok-chu and other officials of the North Korean Foreign Ministry took almost no part in formulating the North Korean nuclear policy. A saying making rounds in Pyongyang goes: "Even a kindergartener can attend talks between North Korea and Japan and talks between North Korea and the United States." This means Kang Sok-chu is a delegate who is not entitled to do anything about the nuclear policy or use his own discretion in negotiations. Still, the Pyongyang leaders assess him as a person good at improvising. North Korea admitted the North America Section of the WPK International Department into the Research Department in 1992.

North Korea did so to improve relations with the United States, using the nuclear problem as a pretext. As a result, Kim Yong-sun, who is in charge of the International Department, is now also in charge of affairs at the Research Department.

North Korea felt a sense of crisis most keenly in May 1993 when then-U.S. Defense Secretary Perry [as published] stated the United States would bomb Yongbyon.

At that time, Kim Chong-il could not go home, but stayed at his office. All high-ranking officials of the WPK Central Committee stood by around the clock, wearing Worker-Peasant Red Guards uniforms and pistols.

As a matter of fact, at that time North Korea showed a bold front, threatening full-scale war. However, in reality the Pyongyang leaders were trembling, saying: "What if the United States launches an invasion?"

I still believe North Korea has nuclear weapons because the ranking Political Security Bureau official at the Yongbyon nuclear facility had no reason to lie to me. I do not think North Korea will abandon its nuclear program upon receiving ROK-style light-water reactors.

North Korea's goal from the very beginning was to develop nuclear weapons, and it will consistently pursue this goal.

Lives of Elite Cadres

SK0605054495 Seoul CHUNGANG ILBO in Korean
5 May 95 p 3

[Tenth of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who

defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] North Korea's Chae Si-ra [name of a famous young actress in the ROK] is Yi Sol-hui. She has a nicely shaped face and her eyes are so bewitching that they create an intriguing atmosphere around her. No man in North Korea has lived without being fascinated by Yi Sol-hui's charm. She made her debut in "The Song of Love." This work became very popular because of Yi Sol-hui's charm.

High-Ranking Officials Were Pleased

However, there is another actress in North Korea who is as popular as Yi Sol-hui. Her name is Chang Son-hui. She played a role in "Chunhyangjon" [Korea's classical folk drama], and her expressive face and smile in the play captivated many people.

In the North, it is not so difficult for one to mingle with women such as Yi Sol-hui and Chang Son-hui. To do this, however, one should be able to meet the following three conditions: have considerable power, reliable friends, and money. One's money should include a great amount of dollars. In other words, North Korea's currency — won — has virtually no effect in meeting this condition. If one can meet these three conditions, there is no better place in the world than Pyongyang.

I worked as vice president of Nungna 888 Trading Company since March of 1992. I was practically the president of the company because there was no president. At the time, my pocket money amounted to \$2,000. In South Korean money, this is approximately 1.6 million won. However, \$2,000 in Pyongyang is worth 20 million won. The monthly salary of a Kim Il-song University professor is only \$10, and people even tremble if they see a \$100 bill. In view of this, one can imagine how much my pocket money was worth.

High-ranking officials in North Korea usually enjoy their spare time by mingling in groups of four or five. A cadre member from trade-related organizations is usually included without fail, because they absolutely need dollars. An official from the security organization and the party's guidance member also joins the group.

They usually get together on weekends. As for my colleagues, they usually gathered at my home. It was located in Changgwang Street in Pyongyang on 60 pyongs [one pyong is 3.95 square yards]. There were three large rooms with separate toilets in the rooms and in the living room. I had a \$1,200 Japanese Sharp television set, and Japanese-made audio and video sets in the living room. One of the rooms was used as a library.

When my friends got together, we drank wine and watched videos. We saw many American and Japanese videos.

Art Troupe Members Are on Standby

I remember that we enjoyed seeing the American movies "Rambo I" and "Rocky." We also drank Japanese "Kirin" beer and Scotch whiskey. When the atmosphere becomes festive enough, the topic of conversation centers on planning the next morning's outing. Then, one of them immediately picks up the telephone, and talks to the Moranbong art troupe or to the 8 February Art Film Studio, stating, "I am so-and-so from the security department. Please have five members of the troupe stand by at 1000 tomorrow morning."

The next morning, we head for Ponghwa Station where the art troupe is, riding in two sedans. As we arrive there at 1000 sharp as promised, we see five actresses in dazzling gala dress. They quietly ride in our Toyota and Crown cars. In the expression used in South Korea, this is the time when our "party" begins.

It is indeed joyful and refreshing to ride on the streets of Pyongyang, where traffic congestion is unimaginable, at high speed in a car with beautiful actresses sitting beside me. Our car heads for Mt. Taesong along the bank of Taedong River passing through Kim Il-song Square, the Ongnyu Bridge, and the Arch of Triumph.

When we arrive in Mt. Taesong, a place covered with thick trees away from the haunts of men, our entertainment begins in full scale. Drinking beer and wine, we even sing South Korean songs, and dance disco. Beside us, bulgogi [Korean-style barbecued beef], which we season in advance, is cooking.

If capitalism infiltrates into North Korea, the artists will be the ones to adapt before any others. This is because no other people in the North are more influenced by the South Korean, U.S., and Japanese ways of life.

They dress in clothes as good as those of the Japanese actresses they see in videos. Besides, they can dance disco and sing any popular South Korean song. North Korean actresses can sing the South Korean song, "I Now Know," sung by Sotaeji and Boys [name of a South Korean young vocal group], without hesitation, and dance disco.

As darkness sets in, we return to Pyongyang. Now we drop into a department store. We usually go to Cheil, Nagwon, or Pyongyang Department Stores. We, the men, buy foreign-made gifts for the women. The women are fond of Japanese Shiseido cosmetics and French-made lingerie. The price of a one-piece dress is about \$45 to \$80.

Fascinated by Foreign Commodities

After shopping, we go to the Koryo Hotel, Changgwang, Pyongyang, or Haebangsan Hotels. Needless to say, someone with great influence among us made arrangements in advance. We then eat in a restaurant serving foreign food. Following this, we refresh ourselves by taking a bath and sweating in a sauna for a short time in the basement of the hotel.

We then go up to a revolving lounge in the 45th floor of the hotel and enjoy a cocktail with our female partners and look down at the Pyongyang night scene. I would like to leave the rest of our activities to your imagination.

Needless to say, those who can have this type of pleasure and enjoy this entertainment among high-ranking North Korean officials are less than 1 percent.

Imports for Elite, PRC

SK0905090495 Seoul CHUNGANG ILBO in Korean
9 May 95 p 3

[Eleventh of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] On 10 March 1992, I was appointed the guiding official of the trade section of the Presidential Office's Accounting Department. This was possible due to the backing of my father-in-law, Kang Song-san, who at that time was the responsible secretary of the North Hamgyong Provincial Party Committee.

Normally, this is a position guiding personnel of the central party cannot even dare look forward to.

The Presidential Office's Accounting Department is situated in a five-story building in Sinwon-tong, Potonggang District, Pyongyang.

The important work of the accounting department is to supply Kim Il-song and Kim Chong-il with foodstuff and clothes.

All kinds of items are brought in from Japan, from soybean paste, soy sauce, beer, and whiskey to clothing, television sets, and refrigerators.

In particular, various Japanese-made condiments and spices, such as Kikkoman Soy Sauce and mustard, were also brought in.

This is because Kim Chong-il greatly enjoys Japanese cuisine. Of course, when conducting trade with foreign countries, a camouflaged title — "Nungna 888" — is used instead of the Accounting Department.

The Accounting Department also has various plants and ranches in local areas. Their quality is "the best in North Korea."

For example, the quality of various cookies and confectionery for Kim Il-song is so good they are equal in quality to those in Seoul. Milk, beef, and pork produced at the Ungok ranch in South Pyongan Province are sent to Kim Il-song and Kim Chong-il through the Security Guard General Bureau. The Accounting Department also has a separate gift section.

Kim Il-song and son hold frequent political events. The gift section dispenses gifts, such as bags, to the participants of these political events.

While serving as vice president of the Nungna 888 company, what was most profitable was the three-way trade involving Japan and the PRC.

We bought Japanese used cars cheaply and resold them to the PRC at a high price.

Business was quite good. We bought Toyota Crown cars from Japan that were three to four years old, paying \$3,000 per car; we then sold them to PRC businessmen for \$8,000 to \$12,000 per car. That was a profit margin of \$5,000 to \$9,000 per car.

When rumors spread that this business was very profitable, trading companies affiliated with government organs with influential backgrounds began pursuing this business. The Haegumgang Trading Company under the Security Guard Command; the Tonghung Trading Company under the Ministry of Public Security; the Puhung Trading Company under the No. 3 Engineer Brigade; Room 39 and Section 7 directly under the control of Kim Chong-il; and the Ministry of Metal Industry and Ministry of Light Industry under the Administration Council all pursued this business. So many cars were brought in that at one time Japanese-made cars formed a long bumper-to-bumper queue at the border with the PRC. Thousands of cars were imported annually.

The trade in cars was such a boom that cars could not be sold since there were no cars left. However, business stopped in June 1993 for the PRC central government strongly protested to Pyongyang. Thus, North Korea became troubled since thousands of imported cars remained along the border. Ultimately, the Pyongyang authorities ordered: "Since we have already purchased the cars, deal with them as soon as possible." Through this decision, the smuggling of cars from North Korea to the PRC began.

During this period, I had the opportunity to go on a business trip to North Hamgyong Province to hand over to the PRC cars that came through Chongjin and

Najin Ports. Naturally, I became close with responsible secretaries of the county parties of Sonbong, Hyesan, and Onsong. Their most difficult matter was a lack of tires and oil, making them unable to move any vehicle, even tractors and buses.

Also, people wanted large amounts of cigarettes, not inferior quality tobacco but cigarettes with filters. I loaded foreign-made cigarettes into my cars, the Toyota Crown and Benz 280, and generously handed them out.

Personally, I was very well off during this period. I moved to a 60 pyong (1 pyong is 3.954 square yards) apartment, and always had a large amount of new dollar bills in my wallet. Thus, party guiding personnel and friends of the Security Guard Department visited me frequently.

They asked for money because their brothers were sick or were getting married. I gave them \$100 to \$200 without difficulty. The greatest inconvenience for the North Korean ruling class is the lack of goods.

In particular, they greatly lack alcohol, cigarettes, and beer.

Even though they are high-ranking cadres, they cannot act like me because agents of the Security Guard Department and the intelligence agencies immediately report them to the central party.

I once gave some dollars to my father-in-law as spending money. He was very happy and bought a Japanese-made rice cooker, massage kit, and clothes for his grandchildren at a store dealing only in foreign currency. He said: "I went to such a store for the first time in my life because of my son-in-law." The North Korean premier had never been to such a store before.

'Uneasiness' Among Leadership

SK1105095995 Seoul CHUNGANG ILBO in Korean
11 May 95 p 3

[Twelfth of 12-part series of articles by Kang Myong-to, son-in-law of DPRK Premier Kang Song-san, who defected to the ROK in May 1994; edited by reporter Choe Won-ki]

[FBIS Translated Text] "Can North Korea survive this year?" "If we need to defect, we should go to Europe or the United States." This was the kind of dialogue secretly exchanged by members of North Korea's ruling class whenever they gathered in twos and threes in 1992 to 1993. It was not possible to make such remarks openly, but a feeling of uneasiness among the ruling class regarding North Korea's system is a great deal more serious than what is thought in South Korea.

Such uneasiness among the North Korean leadership originated from the collapse of East bloc countries such as East Germany, Hungary, and Romania, and the Soviet Union in 1989. In a nutshell, even when the Soviet Union backed North Korea, it was experiencing difficulties, but now that Moscow has collapsed, it will be more difficult for North Korea to hold out much longer. In particular, such uneasiness reached its climax in 1993. It was because the harvest was seriously damaged by the cold weather and the economy was on the verge of bankruptcy.

Such uneasiness among the North Korean leadership led them to prepare escapes to a foreign country. First of all, they found jobs for their children at organizations such as the External Economic Affairs Committee, and started to send them overseas one by one. They also accumulated dollars. As a result, there are no high-ranking North Korean figures currently who do not have one of their children or relatives living abroad. I went to China in December 1993 to find a place to live overseas in case North Korea collapsed.

It seems that at that time, Kim Chong-il also felt considerable uneasiness. He founded the Royal Guard Brigade to prepare in case of an emergency and deposited billions of dollars in his secret Swiss bank account. He even had an airplane standing by at the Mirim Airport near Pyongyang. His intention was that if there was a coup d'etat, it would be deterred by the Royal Guard Brigade and, if this was not successful, he would seek asylum in a foreign country.

However, Pyongyang's party, politicians, and military people are not actively dealing with such changes in the situation but are drifting about. The greatest matter of concern and interest of the North Korean military is the modernization of the People's Army. However, internally there is discord and division between the O Chin-u and the O Kuk-yol factions. Moreover, there is serious discord among the military generals, who are divided according to military factions such as the first army and second army. They are engrossed in placing their people in key positions in the People's Army.

This notwithstanding, now that O Chin-u is dead, it seems that North Korea has no other choice but to appoint O Kuk-yol as next minister of the People's Armed Forces.

The party and government officials are engaged in a power struggle, and have failed to chart a clear-cut direction for opening up and reform. A typical case is a conflict between Kim Kuk-tae and Kim Tal-hyon.

Kim Kuk-tae, a son of the revolutionary senior Kim Chaek, is a second-generation man of the revolution.

He is secretary for cadres affairs at the party Central Committee.

Though he graduated from the Mangyongdae Revolutionary School, Kim Kuk-tae is not very smart. He does not even know what opening is. Kim Tal-hyon, too, is a second-generation man of the revolution, and has strong backing as he is the husband of a niece of Kim Il-song's wife. He is sharp and has a lot of nerve. He advocates opening up and has maintained a close personal relationship with Kim Chong-il. He is the husband of my father's sister.

Something happened in 1992 when Kim Tal-hyon, then chairman of the External Economic Commission, was promoted to the chairmanship of the State Planning Commission and the vice premiership. When he was promoted to the vice premiership, Kim Tal-hyon intended to pick his confidante Yi Song-tae as his successor to the post of chairman of the External Economy Commission. Yi Song-tae had served as a vice minister of trade at the Administration Council and a councillor at the DPRK Embassy in the PRC.

Meanwhile, Kim Kuk-tae intended to place Choe Chong-kun, who is a member of the Kim Kuk-tae faction, in the post of chairman of the External Economic Commission. At that time, because he was secretary for cadre affairs at the party Central Committee, Kim Kuk-tae was in charge of personnel management.

A Supreme People's Assembly (SPA) session was held in December 1992. During the intermission, Kim Chong-il briefly called Kim Tal-hyon and tipped him off that Choe Chong-kun had been designated as chairman of the External Economic Commission.

Kim Tal-hyon then showed his disapproval. He resisted by saying that if Choe was appointed, he would resign from the vice premiership. Such an action was possible only for Kim Tal-hyon who has a lot of nerve.

In response to a recalcitrant Kim Tal-hyon, Kim Chong-il asked: "Then, whom do you have in mind?" Immediately, Kim Tal-hyon recommended Yi Song-tae. At that time, Kim Chong-il had no idea as to whom Yi Song-tae was. Nonetheless, because Kim Tal-hyon, with whom he had maintained a close relationship, strongly recommended Yi, Kim Chong-il crossed off Choe Chong-kun's name from the list and placed Yi Song-tae's name on the list.

A moment later, Choe Chong-kun, who was sitting on a deputy's seat, nearly fainted with surprise. He remembered that right before the SPA session began he had clearly seen his name written on the list for the post of the chairman of the External Economic Commission.

But, Yi Song-tae was the name announced as new chairman of the commission. Since that time, Kim Kuk-tae began standing in the way of whatever Kim Tal-hyon did, grinding his teeth at the latter.

Kim Tal-hyon, who is an advocate of opening up, was ousted from the vice premiership soon after that incident, and was demoted to vice manager of the 8 February Vinalon Enterprise. He was called to account for having diverted 30 percent of the generated electricity, which had been allocated for the use of the munitions industry plants, to mines and enterprises with a view to breathing life into the North Korean economy. It goes without saying that a dark plan worked out by Kim Kuk-tae and his faction was behind the story used for Kim Tal-hyon's demotion.

North Korea's Administration Council and trade-related functionaries are well aware that the country cannot survive if it does not pursue opening up and reform.

This notwithstanding, it is true that there are also North Korean officials, such as Kim Kuk-tae, whose sole goal and only thoughts pertain to how they can maintain their positions of power.

***Article: Political Allies Leaving Kim Yong-sam**

952C0105B Seoul HANGYORE 21 in Korean
16 Mar 95 pp 16-20

[By reporter Kwak Pyong-chan]

[FBIS Translated Text] "When President Kim Yong-sam spoke at the question-and-answer session during the 25 February news conference marking the second anniversary of his presidency, his voice sounded as powerful and confident as before. But his powerful and confident voice seemed out of tune just as if a baritone singer were imitating the voice of a tenor. Most of his prepared statement was devoted to the current controversy over the timing for the local elections, instead of presenting a blueprint for steering his administration for the midterm of his office." This was the comment made by one of the reporters covering the news conference.

During this news conference the president presented his opinions about various issues such as those of carrying out a sweeping rearrangement of administrative districts, precluding political parties from nominating candidates for the election of the heads of local governments, and partitioning Seoul City. His views reflected the demands made by the Young Turks of the DLP. Regarding the forthcoming local elections, he was compelled to say that "the elections must be held in accordance with the law," contrary to what he feels at the bottom of his heart.

This statement is poles apart from what he said last March when he hailed the current law on local elections

as "the definitive edition of political reform." But above all, it struck me that the occasion marking his second anniversary in office became an occasion for bending his mind. The thought that the lame duck phenomenon surfaced suddenly, just like frost in early autumn, came to my mind.

This is not the first time the power of the present government began to leak just as water leaks from a water tank. The ruling party was divided in the process of relieving then Prime Minister Yi Hoe-chang from his office last April; and DLP Assemblyman No Chae-pong scoffed at the administration's unification policy as a "leftist phantasm" during the National Assembly interpellation session last October. These are typical instances of the lame-duck phenomenon. But it was late last year that the phenomenon of power leakage began to appear in dramatic proportions. The DLP, the power base of the present administration, and its foundation began to shake.

The expulsion of Chairman Kim Chong-il from the party caused a decisive momentum. The purpose was to bury Kim Chong-pil and Kim Tae-chung, chairman of the board of directors of the Asia Foundation, at the same time, with no adverse aftereffect, and to eliminate the number-two man so that the leakage of power might be prevented. The attempt, however, resulted in the internal discord of the DLP and the crumbling of the ruling party's power bases. The Chungchong constituency, one of the power bases for the current administration, deserted the DLP; and the "anti-DLP sentiment" in the Taegu-Kyongbuk area was irreparably aggravated. In addition, the phenomenon of desertion reached critical proportions among the displaced persons from the North, the ruling party's core power base and the leading force of conservatism.

It may be natural that some incumbent DLP National Assembly members should be swaying under these circumstances. This is partly because there is no reason for politicians, whose foremost objective is reelection, to bind themselves to a party that has lost its power base and partly because it is difficult to expect politicians to be loyal to the leadership and the official line of the party that fails to guarantee them their reelection. This attitude has appeared in the form of desertion from the LDP or squabbling over conflicting interests in specific issues—in brief, in the form of defiance to President Kim Yong-sam.

First, during the 9 February competition among the hopefuls for the floor leadership, Assemblyman Kim Yong-ku, who was recommended by President Kim, gave up his candidacy. The selection of a new floor leader by competition was the only DLP reform mea-

sure President Kim and other party leaders came out with, following the expulsion of the former party chairman, Kim Chong-pil. However, the consequences of Kim Yong-ku's abandonment of the candidacy were such that it would have been better if President Kim had appointed a new floor leader, as was the practice in the past. In the selection of lower-level party officials, Assemblyman Nam Chae-tu, whom President Kim appointed as director of the Political Training Institute, declined to accept the post. He did not want to have a party post. Nam explained in a roundabout way that he declined the offer because he, an assemblyman from Taejon, had to take into consideration the Kim Chong-il fever that was running high in the Chungchong area. But the declining of an offer of a party post was an unprecedented "happening" in the ruling party. Even Assemblyman Pan Hyong-sik belonging to the RDP faction declined to become assistant floor leader.

Assemblyman Yi Ho-chong from the Suwon constituency in Kyonggi Province submitted a letter of resignation as an assemblyman to the National Assembly speaker without consulting the party. An incumbent assemblyman's voluntary resignation is almost unprecedented except where he was forced by law or by the authority vested with legal power to surrender his parliamentary seat. In Assemblyman Yi's case, neither of these two exceptions applies. Some staff members of his local constituency were under investigation in connection with the election campaign. It is clear that even if the assemblyman himself should be found guilty, the DLP, for which each of its assemblymen counts so much, would not sit back and do nothing while he is being driven to surrender his National Assemblyman seat.

As noted right after the submission of his resignation, Assemblyman Yi wanted to block the authority from investigating himself by forcing a by-election. When an assemblyman submits a letter of resignation while the National Assembly is not in session, the speaker has to accept the resignation after a certain period of time, and the administration needs to hold a by-election in the vacant constituency. But the DJP did not want to hold a by-election at a time when public opinion was very much unfavorable to it in the wake of the expulsion of former Chairman Kim Chong-pil and when local elections were near at hand. The party had to beg him to withdraw his resignation if for no other reason but to avoid a by-election. In the end Assemblyman Yi scored a rare feat of carrying through his purpose by threatening the party leadership with the possibility of a by-election. Conversely speaking, the current leadership exposed the weakness of being pushed around by an

assemblyman suspected of having committed an illegal act.

The repercussions caused by the submission of his resignation by Assemblyman Yi Chae-myong may be interpreted in the same light. The DLP did not consider his resignation a big deal because he came from the national constituency. However, the sudden resignation of an incumbent assemblyman would be a great embarrassment to the party as it was coming at a time when it was suffering from the consequences of the expulsion of former Chairman Kim Chong-pil. Because Yi Chae-myong, a former official of the Daewoo group, submitted his resignation in response to the request of Kim U-chung, chairman of the Daewoo group, with no consultation whatsoever with the party leadership, the DLP came to expose itself as having a weaker controlling power and rallying point than the business groups. In the end, the party leadership put pressure on the Daewoo group to persuade Yi Chae-myong to dissuade him from resigning, and he did withdraw his resignation. This happening was followed by the Sunkyong group's criticism of the current administration. In this way the lame-duck phenomenon spread into the relationship between the administration and the business groups.

The pattern of the "political circus" staged prior to the second anniversary of the Kim Yong-sam administration was repeated in the intraparty controversy over the reorganization of administrative districts. The heavyweights of the DJP faction strongly opposed the stand of the young assemblymen from the RDP faction which reflects the opinion of President Kim. These young assemblymen acted erratically to carry through the determination of the "high authority," ignoring the opinions of the party chairman and the first minister of state. When DLP Secretary General Kim Tok-yong, the powerhouse of the RDP faction, presented his argument calling for a reorganization of administrative districts, they jumped on the bandwagon like a swarm of bees and expanded the issue into a demand for the postponement of the local elections. Chairman Yi Chun-ku put on the brake arguing that "it is not only inopportune but also will prove futile politically, only adversely affecting the elections." First Minister of State Kim Yun-hwan bluntly expressed his view that if the [local] elections are postponed, it would ruin the DLP administration." The position of Chairman Yi Chun-ku and State Minister Kim Yun-hwan was that the restructuring of administrative districts should be limited to a small scale unaccompanied by any revision of the law, and that it was not permissible to expand the scope of restructuring to the extent of affecting the schedule for the local elections.

However, the RDP faction was adamant. Song Chon-yong, chairman of Policy Coordination Committee I;

Son Hak-kyu, deputy spokesman; and Assemblyman Pan Hyong-sik demanded the postponement of the local elections at an open panel discussion and at a meeting of the Special Committee for the Promotion of Localization. Through their stubborn insistence they succeeded in having their demand reflected in DLP Chairman Yi Chun-ku's 22 February keynote address to the National Assembly, which called for restructuring the administrative districts and precluding political parties from nominating candidates for the heads of local governments.

Speaking at the 23 February meeting of the Special Committee for the Promotion of Localization, Assemblyman Yi Hak-kyu said that "we must serve as stepping-stones across the stream so that the president can make decisions" and that "the arrow has already left the bowstring." Apparently, his remarks reflected President Kim's stand. Of course, DJP Chairman Yi did not meekly stepped backward. He practically fired Song, chairman of the special committee, calling into question his statement during the 24 February committee meeting that "the administrative districts must be reorganized even if it requires the postponement of the local elections." In fact, as of that moment President Kim reportedly leaned toward the position that there should be no postponement of the elections. In this connection, DLP Chairman Yi Chun-ku is said to have strongly recommended to the president that the elections be held "in accordance with the law."

However, it became clear in this process that the will of the president now does not prevail even within the DLP as it did in the early stage of his presidency, and that the heavyweights of the DJP faction are refusing to play the role of a die-hard "royal guard." In fact, it has long been pointed out that they do not feel that they belong to "the same family" with the RDP faction of President Kim, and that there is a strong possibility that they will keep a separate household in preparation for the coming 15th general election should their candidates in their constituencies lose in the local elections.

This confusion inside the DJP, the core power base for the present administration, naturally spread to the administrative agencies and the business groups. A typical example of the lame-duck phenomenon appearing in the administrative agencies is the ongoing tremor over the bill for revising the Law on the Bank of Korea. The entire personnel of the Bank of Korea, from President Kim Myong-ho down, are united in opposition to the draft revisions of the Law on the Bank of Korea and the Law on the Board of Financial Supervision, prepared by the Board of Finance and Economy and supported by the Chongwadae Secretariat. This is the third tremor so far over attempts to revise the Law on the Bank of Korea, but this is the first time the Bank of Korea president is

on the forefront of opposition, with all the directors and rank-and-file employees standing up against the bill.

The case of the leaked secret document of the Agency for National Security Planning [NSP] concerning the move "to postpone the local elections" may be regarded as a typical instance of the lame-duck phenomenon when viewed from the standpoint of the administration. Needless to say, the leakage is attributed to the grudge against the wholesale personnel reshuffle carried out by new NSP Director Kwon Yong-hae in December 1994. But seldom, if ever, was a document of such importance that its leakage might deal a fatal blow to the foundation of the administration, actually leaked while an incumbent president was in office, although it is now a known fact that beginning in late 1991 some NSP staffers passed various secret documents onto the then DLP presidential candidate, Kim Yong-sam. This incident, which is cited as a typical example of the lame-duck phenomenon, took place when then President No Tae-u was near "the end of his term of office" and became powerless while Kim Yong-sam was looked upon as the favorite in the presidential race. It was almost certain that the candidate Kim Yong-sam would be the person who was bound to command loyalty in the days ahead. The circumstances then were quite different from the current situation in which the president is at the beginning of his midterm of office and there is no visible lineup of potential successors. The only explanation of the latest incidence of NSP document leakage could be that the foundation for a possible second term of President Kim is conspicuously shaky.

With the erosion of President Kim Yong-sam's foundation for a possible second term, the pipe also has broken so soon, springing a leak in presidential powers in his relationship with conglomerates. A typical case is the submission of a letter of resignation by Assemblyman Yi Chae-myong at the request of Daewoo Group Chairman Kim U-chung. This happened at a time when rumors were incessantly circulating that Kim U-chung was continually in touch with Kim Tae-chung, board chairman of the Asia Foundation, and that Kim U-chung was planning to run for the Seoul mayoral election. Soon after the submission of the aforementioned resignation, the authorities reportedly put pressure on Kim U-chung. That is why he issued the "Letter to the Daewoo Family" explaining "the rumors derogatory to Daewoo circulating in the town..." and concluding by expressing his determination to do his best for the development of the Daewoo Group. This letter is interpreted as a letter of apology directed at somebody outside the Daewoo family. The challenge to the present administration by conglomerates manifested itself clearly in the open criticism of the government by Choe Chong-hyon, chairman

of the Sunkyoung Group and president of the Federation of Korea Industries. Although his criticism tailed off as the Fair Trade Commission undertook an investigation into four Sunkyoung affiliates, it was above the danger mark. The phenomenon of defiance to the power also appeared among social organizations also. On 23 February the Korea Federation of Trade Unions, which has hitherto been considered one of the traditional power bases for the ruling party, made an open announcement expressing its readiness to participate in politics, flying in the face of the clear provision of the Law on Trade Unions. This move is interpreted in some quarters as a ploy to squeeze concessions from the government on several pending issues, but it is clearly indicative of the tendency among "social organizations receiving government aid to desert the ruling camp.

Regarding this situation, we often hear comments like the ones cited below from among political and business circles. Said a mid-ranking businessman: "The administration had run smoothly for one and a half years after it was sworn in. But it alienated Taegu and the Kyongbuk area, one axle of the alliance, and cut off Kim Chong-pil and the Chungchong area, the other axle. As a result, the present administration is rapidly losing its chances of a second term. The local elections scheduled for this coming June will concretely prove the measure of such chances.

"Under these circumstances you can hardly find a single person either, in the political world or in the business community, who would be blindly loyal to the present government. The same is true with the power machinery. These people [politicians, businessmen, and government officials] will take advantage of the weakness of the present government to squeeze maximum benefits from it or make a round of calls to the most influential group or person likely to come into power after President Kim."

A DLP member of the National Assembly belonging to the DJP faction said: "When there is a hole in a dike, the hole will become larger and larger in no time, leaking water more and more rapidly. As the level of water increases, the hole will become still larger, finally bringing down the dike. The collapse of the Democratic Korea Party immediately following the 12th general election is a case in point. For the powers that be, the leakage of power will appear in the form of desertion by ruling party politicians, business conglomerates, and bureaucrats—the main prop of those in power."

What options will President Kim have in the future? This question may remind the readers of the 1990 three-party merger staged by then President No Tae-u.

Brunei, Malaysia & Singapore**Malaysia****Mahathir Views Upcoming U.S.-DPRK Talks**

BK1905030495 Kuala Lumpur UTUSAN MALAYSIA in Malay 19 May 95 p 2

[FBIS Translated Text] Tokyo, 18 May — Prime Minister Datuk Sri Dr. Mahathir Mohamed hopes the talks in Kuala Lumpur on Saturday between the United States and North Korea will solve the current deadlock on the nuclear issue. He said Malaysia will do anything within its capacity to assist the two countries to solve the nuclear issue. "We can even extend financial assistance for this meeting," he said.

The prime minister, who is on a working visit here, made the remarks when he was asked to comment on the scheduled meeting of U.S. and North Korean senior officials in Kuala Lumpur on Saturday. "Malaysia welcomes the meeting and hopes that both sides will reach an agreement," he said.

Meanwhile, Dr. Mahathir also disclosed that the recent PRC's nuclear test was raised in his talks with Japanese Prime Minister Tomiichi Murayama. He said that Japan is quite unhappy with PRC's nuclear test.

In this connection, Dr. Mahathir reiterated Malaysia's stand calling for the abolition of all nuclear weapons. He stressed that Malaysia is not happy with the current arrangement where countries with nuclear arms are allowed to keep them while those without nuclear arms are not allowed to develop and produce them. That is the reason why Malaysia opposes the Nuclear Non-proliferation Treaty.

"Nuclear arms must be completely abolished and banned in the same manner we have banned chemical weapons," he said. The prime minister said if no country has nuclear weapons, there will be no more problem of nuclear tests.

"Therefore, we are not surprised with the PRC's nuclear test. Maybe another country will conduct its own test soon," he said.

Japan Told To Clarify Its Position on EAEC

BK1805111095 Kuala Lumpur THE STAR in English 17 May 95 p 7

[Report by Hoo Ban Khee]

[FBIS Transcribed Text] London — International Trade and Industry Minister Datuk Rafidah Aziz has told Japan to make up its own mind in deciding its stance on the East Asian Economic Caucus [EAEC] rather than feel beholden to the United States.

She said Japan must state clearly its position vis-a-vis the East Asian region instead of floating between Asia and the United States.

Talking on the future of regionalism in Asia at the Royal Institute of International Affairs here, she said Japan could be fearful of the U.S. "and sometimes just the motion of wielding the big stick is enough to send Japan backing off."

On China, Rafidah said Malaysia saw China as an equal partner and not a threat, adding that efforts were being made to integrate China into the mainstream of trade.

"In this way, we will have a better China, not isolated or left out, a China easier to talk to."

Earlier, Rafidah said regionalism was a market-driven process in view of the economic dynamism in Asia and there was no reason for casting any aspersions on such regional efforts.

"No one should have the blinkered perception that because the region is Asia or Asia, then it gives rise to the Asian racial spectre or to be one great racial divide.

"After all, Europe is Europe, regardless of the heavy Caucasian emphasis," she added.

She said very often, world leaders expounded notions of the global community and of communities that straddled oceans and continents.

But one must not forget that such a large community must begin with the small immediate neighbourhoods, she said, adding that strong neighbourhoods contributed towards the strong, larger community.

Rafidah said regional entities and regional groupings were merely small economic neighbourhoods that made up the global economic village.

"Unless such economic neighbourhoods detract from the community's overall objectives or if any of their actions subtracts from the common good, then every economic neighbourhood should be allowed to evolve and flourish.

"Other neighbourhoods should come on board to strengthen the economic neighbourliness.

"In this context, the EU efforts to develop a strong partnership with Asia would be mutually beneficial and Asian regionalism can learn from the mistakes and successes of the European integration," she said.

The minister took pains to explain that when East Asian economies gravitated towards a regional axis, the reasons were definitely not to move away from multilateralism or to prioritise a regional bias.

She said it was unthinkable that any regional integration within Asia would be discriminatory or restrictive to non-Asian participation.

Ongoing market reforms and trade liberalisation among Asian economies would serve well the multilateral trading system and if regional efforts could accelerate these measures, they should be supported and not thwarted, she said.

Country's Stand on Spratlys Dispute Reviewed

*BK1905103395 Singapore BUSINESS TIMES
in English 17 May 95 p 17*

[Article by Regional Analysis Editor Yang Razali Kassim: "Singapore and the Spratlys"]

[FBIS Transcribed Text] Last Thursday, Singapore Prime Minister Goh Chok Tong met his Chinese counterpart Li Peng in Beijing.

As is usual for leaders when they meet privately, Goh and Mr Li touched on a range of issues of mutual interest. What's interesting was the raising by Prime Minister Goh of the Spratlys issue. Judging by the tone of what was reported later, it was no small talk that Mr Goh made with his Chinese counterpart.

According to a Singapore spokesman briefing the Singapore media in Beijing, Mr Goh had told Mr Li that the dispute over the Spratly Islands involved more than the question of sovereignty.

Equally at stake was the right of nations to navigate through the disputed waters surrounding the Spratlys in the South China Sea.

Being a trading nation with the bulk of its trade plying the booming East Asia route, Singapore was naturally concerned with the worsening dispute over the oil-rich and strategically located Spratlys atolls.

But while Singapore is not a claimant state, three fellow members of the Association of South-East Asian Nation — the Philippines, Malaysia and Brunei — are. So are Taiwan and Vietnam.

Mr Goh told Mr Li Singapore was able to raise the matter candidly as the Republic, not being a claimant, could give an unbiased view.

Put another way, the message was that while Singapore is not a disputant, it is nonetheless a worried bystander — as are many other trading nations whose economies depend on the safe passage their trade through the South China Sea.

That Mr Goh chose to raise his concern with a top Chinese leader — and in Beijing at that — was significant. In so doing, Mr Goh underscored not

only Singapore's position on the Spratlys but also the Republic's position on a number of fundamental regional issues, including Singapore's relations with China.

By expressing Singapore concern directly, Mr Goh identified himself openly with a common Asean position on the Spratlys.

The signal was that, when it comes to the crunch with China, Singapore's solidarity is with Asean. Indeed, the Spratlys issue is seen by some as China's testing of Asean's common resolve.

Asean cohesion has never been so challenged since the Maoist period, when Beijing's influence was exerted through the underground communist movements the region. With the debunking of the communist way of life, China's relations with the Asean states have reversed completely.

With the switch to the market economy, all the Asean states have benefited through greater trade and investment ties with the former communist state.

Singapore's own economic ties with China have improved tremendously since diplomatic relations were established. Singapore investments in China have grown by leaps and bounds and symbols of such growing cooperation are the Wuxi industrial park and Suzhou projects. People-to-people contacts have also surged.

All the Asean states understand China's need to progress economically and its desire to open up to the rest of the world. Latent fears of Beijing's long-term intention towards the region have been suppressed in the hope that peaceful co-existence will bring mutual prosperity.

But Beijing's muscle-flexing posture on the Spratlys has put the six Asean countries in a spot.

Unless the problem is resolved amicably and quickly, it could put China on a collision course with Asean and also Vietnam, which will join Asean this year.

Singapore's position has been made especially difficult given the strong economic and cultural links with China. Of particular concern to Singapore leaders is the doubt that may arise in the region of where Singapore will stand in a crisis situation with Beijing.

By making known his reservations over the Spratlys issue with Mr Li, Mr Goh has signalled that Singapore's close ties with China should not be taken for granted.

But the message is equally valid for the Philippines, President Fidel Ramos, in particular.

By displaying solidarity with the Asean position on the Spratlys, Mr Goh was signalling that despite the hanging

of Philippine maid Flor Contemplacion case, Mr Ramos can still count on Singapore in time of need.

It was Manila that brought world attention to the Spratlys dispute early in March this year when the Philippine authorities, on the instructions of Mr Ramos, blew up Chinese naval structures on a group of atolls which the Philippines claims.

Following Mr Ramos' escalating tiff with Beijing, Asean, including Singapore rallied in support of Manila and engaged in direct talks with China in Hangzhou. Before this, Asean's concerns had been oblique and limited to separate statements by individual claimant states.

Singapore had chosen to go along to Hangzhou in support of the Philippine claim at a time when the diplomatic squabble over the Flor Contemplacion case was still hot.

In Beijing last week, Mr Goh registered the point that whatever problems there may be between Singapore and Manila, the two countries should not allow themselves to lose sight of the bigger picture.

Indonesia

NAM Regrets U.S. Veto on Draft Against Israel

BK1905024695 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 19 May 95

[FBIS Translated Text] Indonesia and the Nonaligned Movement [NAM] caucus countries deeply regret the U.S. veto against a draft resolution calling on Israel to cancel its decision to annex a Palestinian area in East Jerusalem. Nugroho Wisnumurti, Indonesian permanent representative to the United Nations, said all members of the UN Security Council, except the United States, fully support the draft resolution tabled by the NAM caucus countries comprising Indonesia, Botswana, Honduras, Nigeria, Oman, and Rwanda.

The draft resolution was originally tabled by Oman on behalf of Palestine and was later seconded by other NAM caucus countries. The draft resolution says that Israel's annexation of an area in East Jerusalem is illegal and tantamount to a violation of the UN Security Council's resolution and the fourth Geneva Convention in 1949.

PRC's Nuclear Test, Impact Editorialized

BK1805135995 Jakarta KOMPAS in Indonesian 18 May 95 p 4

[Editorial: "PRC's nuclear test and nuclear countries' disarmament commitment"]

[FBIS Translated Text] It is deeply regrettable that only three days after an indefinite extension of the Nuclear Nonproliferation Treaty [NPT] was adopted, the PRC was reported to have conducted an underground nuclear test in Lop Nor on Monday (15 May). The nuclear test followed an earlier one conducted by that country last October. The PRC's latest nuclear bomb, which had a capacity of between 40 and 150 kilotons, was detected by several agencies, including the Australian Seismological Center. By comparison, the atomic bomb dropped in Hiroshima that killed more than 100,000 people, had a capacity of only 13 kilotons.

It is understandable that the PRC's nuclear test drew immediate protests and criticisms from many countries in the world, especially from fellow Asian countries. The test also shows that the PRC only pays lip service to its claim that it is exercising self-restraint regarding the nuclear arms issue.

Speaking to Reuter on Tuesday, Foreign Minister Ali Alatas expressed regret over the nuclear test. As a non-nuclear country, Indonesia can only hope that all nuclear countries will stop their tests until a comprehensive agreement to stop all nuclear tests is reached.

The PRC said it wants to conduct several tests so as to cope with its technological inferiority in relation to other nuclear countries before nuclear tests are eventually banned.

While we can accept the PRC's reasoning that a nuclear country needs to conduct periodic tests for research and development, this sounds strange in view of the fact that countries that openly declare themselves as nuclear arms owners — the United States, Russia, France, and Britain — have long ago stopped their nuclear tests. Besides, a meeting called the Comprehensive Test Ban Treaty is now being held in Geneva.

To show its commitment to the nuclear test limitation, the United States, despite its stand on opposing the PRC's nuclear test, will probably not follow the PRC's example and conduct its own test. Lynn Davis, under secretary of state for arms control and international security affairs, said the United States will continue its policy of not conducting nuclear tests, along with three other nuclear countries. However, the PRC's nuclear test may provoke French President Jacques Chirac to resume France's nuclear tests. Chirac, a conservative

leader, who assumed the presidency only yesterday, said he would decide whether France should resume its nuclear tests after he finished consulting with his nuclear experts.

The immediate reaction to the PRC's nuclear test came in the form of direct criticisms from fellow Asian countries, especially Japan and South Korea. These two countries, increasingly worried about the PRC's growing military might, found it necessary to issue a strong warning. Japan said the nuclear test is threatening bilateral relations, including the allocation of billions of dollars of Japanese economic aid.

At the same time, the PRC's nuclear test has also affected the nonnuclear countries' confidence in the nuclear countries' sincerity on nuclear disarmament. How can we trust the commitment of nuclear countries that they will exercise restraint and free the world from nuclear threat when they keep conducting tests?

This is a valid concern because the extended NPT is viewed by the majority of the Third World countries as an unjust treaty. The United States and its allies never pay attention to Israel, which is widely believed to have nuclear arms at its disposal but which refuses to join the NPT. In this case, Israel is like a country which is above the law.

After developing countries have agreed to the U.S. proposal for an indefinite extension of the NPT, will the nuclear countries, which still have more than 20,000 nuclear warheads, agree to reduce their huge arsenal?

After the NPT extension, we still have many things on the agenda, including talks leading to a comprehensive nuclear test ban and an end to the nuclear material production. It must be stressed that the NPT's ultimate objective is to achieve a "world without nuclear arms". However, as this objective has no deadline, there is a remote possibility that it can be achieved.

The next development in the situation will still be interesting to monitor. Will the PRC conduct two more tests this year, or conduct three tests next year, as part of its efforts to develop smaller warheads? Will France also conduct its nuclear tests in the South Pacific?

The privilege of possessing nuclear arms will still be restricted to the five nuclear countries, while Israel, India, and Pakistan will inevitably have their own nuclear arms. This is indeed one of the manifestations of unjust international relations, which people have to accept whether they like it or not.

Alatas Urges Restraint in Spratlys Dispute

*BK1805122695 Jakarta ANTARA in Indonesian
0927 GMT 18 May 95*

[FBIS Translated Text] Jakarta, 18 May (ANTARA) — Indonesia hopes that the PRC, the Philippines, and four other claimants to the Spratly Islands will resort to negotiations and avoid using military means to solve the issue.

Speaking to reporters at Jakarta's Merdeka Palace, Foreign Minister Ali Alatas said now is no longer the time for countries to strengthen their military might so as to achieve their objectives. The PRC Navy recently intercepted Philippine ships trying to enter the Spratly Islands.

"Indonesia hopes the situation will not deteriorate and we continue to call on the two sides to hold talks," said Alatas. The four other claimants to the Spratly Islands are Taiwan, Brunei Darussalam, Malaysia, and Vietnam.

Alatas stressed that none of the countries bordering the South China Sea, including Indonesia, want to see an outbreak of hostilities in that area.

Asked by reporters whether Indonesia should boost its military presence to anticipate any potential conflict in the area, Alatas said Indonesia continues to hold talks with countries that have border disputes with it.

Commenting on the U.S.-Japan trade dispute, Alatas expressed his concern over the matter because the dispute emerged after the Uruguay Round agreement and the adoption of the Bogor Declaration at the APEC [Asia-Pacific Economic Cooperation] meeting. "It is indeed regrettable that the dispute has arisen and Indonesia hopes it will be solved through the World Trade Organization," he said.

Laos

U.S. Delegation Continues Official Visit

Discusses MIA's, Aid

*BK1805111595 Vientiane KPL in English
0930 GMT 18 May 95*

[FBIS Transcribed Text] Vientiane, May 18 (KPL) — On instructions from President Clinton, a top-level presidential delegation visited Laos May 17 and 18 in order to facilitate further progress in achieving the fullest possible accounting for Americans missing in Laos. The delegation was jointly led by Mr. Hershel Gober, deputy secretary of veteran's affairs, Ambassador Winston Lord, assistant secretary of state for East Asian and Pacific affairs, and Mr. James Wold, deputy assistant secretary of defence for POW/MIA affairs.

While in Vientiane, the delegation met with President Nhouhak Phoumsavan, Foreign Minister Somsavat Lengsavat and Minister of National Defence Choummali Sai-gnason. The meetings were productive and friendly and demonstrated continuing Lao support for POW/MIA activities in Laos. During the meeting with Foreign Minister Somsavat Lengsavat, Assistant Secretary Lord and National Security Council Senior Director for Asian Affairs Stanley Roth informed Foreign Minister Somsavat Lengsavat that the secretary of state has decided to remove Laos from the prohibitions of the Foreign Assistance Act for an indefinite period. This action will become effective upon completion of formal consultations with and notification of Congress and the publication of the decision in the Federal Register. While this action removes the legal obstacle to assistance, it does not guarantee new funding for Laos, especially given proposed congressional reductions in the U.S. foreign assistance budget for the coming year.

President Receives Delegation

BK1805142295 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 18 May 95

[FBIS Translated Text] This morning, Nhouhak Phoumsavan, president of the Lao People's Democratic Republic, received at Ho Kham Presidential Palace in Vientiane a courtesy call from a U.S. presidential delegation. The U.S. delegation comprised Hershel Gober, deputy secretary of veterans affairs; Winston Lord, assistant secretary of state for East Asian and Pacific affairs; and James Wold, assistant secretary of defense for POW and MIA affairs.

President Nhouhak Phoumsavan welcomed the U.S. delegation and thanked it for the visit. He expressed the hope that, following the visit, the relations between Laos and the United States would be increasingly improved, promoted, and expanded. The U.S. presidential delegation thanked the president for the cordial welcome accorded the delegation. It also informed the president of the outcome of the meeting with a Lao delegation from many ministries and noted the good cooperation given by the Lao side in searching for the American POW's and MIA's in Laos. The delegation highly regarded the cooperation of the Lao side. It expressed the conviction that the relations and cooperation between the two countries would be improved step by step.

Prior to its departure for home that morning, the U.S. presidential delegation also called on Lieutenant General Choummali Sai-gnason, national defense minister, at the reception hall of the National Defense Ministry.

Visit Termed 'Milestone'

BK1805152495 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 18 May 95

[News conference by Souban Salitthilat, deputy minister of foreign affairs, on the outcome of the talks between a U.S. presidential delegation led by Hershel Gober, deputy secretary of veterans affairs, and a delegation of the Lao Foreign Affairs Ministry led by Somsavat Lengsavat, foreign affairs minister, in Vientiane on 17 May — recorded]

[FBIS Translated Text] During this second visit to our country by the U.S. presidential delegation led by Gober, a consultative meeting was held with our Lao Foreign Affairs Ministry delegation to discuss the bilateral relations and regional issues of common interest. Regarding the relations between the two countries, the U.S. side attached importance to cooperation on the search for U.S. personnel missing in action during the war. On this issue, the two sides agreed that since the U.S. delegation's visit to Laos last year, much progress has been achieved. The two sides expressed satisfaction over the cooperation in searching for the MIA's, collecting information, and conducting excavations.

The Lao side, in particular Foreign Affairs Minister Somsavat Lengsavat, reiterated the Lao Government's decision to further cooperate with the U.S. side in dealing with the MIA issue. The second issue discussed at the meeting was narcotics suppression. Regarding this issue, the two sides noted that satisfactory progress has been achieved in recent cooperation in carrying out a project in Houa Phan Province. The two sides believed that this (economic) cooperation project will be completed in 1996. They hoped to make this project a model project of cooperation. The two sides also discussed the problem of refugees, in particular the refugees repatriated from Thailand. In this regard, the Lao side noted that the Lao Government has provided good welfare for the returnees. The U.S. side also noted that through its visits to various centers, it believed that the Lao Government has paid high attention to the refugees and that the refugees themselves are also happy with the accommodation provided for them by the government. The fourth issue discussed at the meeting was the possibility of signing a cooperation agreement on Lao-U.S. investment. The main contents of the document have been agreed upon by both sides. It is believed that the two sides can reach agreement on this issue soon.

In addition, the U.S. side informed the Lao side of the U.S. Government's decision to abrogate the act banning direct aid to Laos. This decision of the U.S. Government was cordially welcomed by our foreign affairs minister.

This visit by the U.S. presidential delegation, together with the U.S. Government's decision to remove Laos from the aid prohibition act, marks a significant milestone in the relations between Laos and the United States. The two sides also exchanged views on international and regional issues of common interest, such as the Korean problem and the problem of the South China Sea. Our Lao delegation was informed by the U.S. side of the U.S. Government's attitudes toward the said issues. On the Lao side, the Lao foreign affairs minister gave the views of the Lao Government, saying all international problems should be resolved through peaceful means. The U.S. side shared similar views. The meeting between the two sides proceeded in a cordial atmosphere.

SRV Army Delegation Arrives for Visit

*BK1805134795 Vientiane KPL in English
0918 GMT 18 May 95*

[FBIS Transcribed Text] Vientiane, May 18 (KPL) — A delegation of the General Political Department of the People's Army of Vietnam led by Lt. Gen. Le Kha Phieu arrived here yesterday on a cordial visit to the Lao PDR [People's Democratic Republic].

A warm welcome ceremony was held at the Ministry of Defence. The Vietnamese delegation was received by Lt. Gen. Siphon Phalikhan, deputy minister of national defence and head of the General Political Department of the Lao People's Army, a number of Lao high and medium-ranking officers. Do Xuan Hoa, military attache to Laos, was also present at the ceremony. Then, the Vietnamese delegation, accompanied by Major General Soulima Bounleut, deputy chief of the General Political Department of the Lao People's Army, laid a wreath at the unknown soldiers' monument.

On the same afternoon, the delegation of the General Political Department of the Lao People's Army, headed by Lt. Gen. Siphon Phalikhan, and the delegation of the General Political Department of the People's Army of Vietnam, headed by Le Kha Phieu, held a talk at the Latsavong Hotel. The two delegations spoke of their different situations and of the highly-valued traditional ties between the two armies, especially the outcome of cooperation in the past and worked out the new plans of cooperation for the future.

At night, Lt. Gen. Siphon Phalikhan hosted a dinner for the Vietnamese delegation.

The Vietnamese delegation is scheduled to stay from the 17th to the 25th of May and its visit is in response to the invitation of Lt. Gen. Siphon Phalikhan.

Begins 'Working' Visit

*BK1705154195 Hanoi VNA in English
1441 GMT 17 May 95*

[FBIS Transcribed Text] Hanoi VNA May 17 — A delegation of the General Political Department of the Vietnam People's Army led by its head, Sen. Lt. Gen. [Senior Lieutenant General] Le Kha Phieu, Politburo member and secretary of the Communist Party of Vietnam Central Committee, began its working visit to Laos this morning.

Later the, Vietnamese delegation held talks with a delegation of the General Political Department of Laos People's Army. The two sides informed each other of the situation on national construction and defence, army building, and recent achievements recorded in the renovation process in each country, especially those in 1994 and early 1995. They also shared experience in party and political work of the army as well as measures to strengthen the special, close and traditional relations between the two fraternal armies.

The Vietnamese delegation is scheduled to call on a number of localities, Army units, economic and cultural establishments on May 18.

Philippines

PRC Stance on Media's Spratlys Tour Analyzed

*BK1905104695 Manila THE MANILA CHRONICLE
in English 18 May 95 p 4*

[Editorial: "Manila Scores Versus Beijing"]

[FBIS Transcribed Text] Whatever substance to Beijing's claim that the Chinese structures on Mischief Reef are mere stations of Chinese fishermen has been shown spurious by the celebrated stand-off that took place last Saturday at the Kalayaan Islands. There, two Chinese warships suddenly appeared 15 nautical miles away in apparent support of Chinese vessels blocking a Philippine Navy ship carrying local and foreign journalists.

The inspection trip by our Navy would have been enough to impress upon independent journalists that the structures on Mischief Reef could not have been mere fishing stations by ubiquitous Chinese fishermen: the structures are made of metal with parabolic discs all around, giving credence to Manila's claim they could eventually become naval support facilities.

But the Chinese, not exactly known for subtlety, betrayed their own intentions; they themselves confirmed Manila's claim. Within minutes after Philippine Navy helicopters started their sorties of Mischief Reef last Saturday, two frigates from the Chinese navy raced to the sight in apparent aid of the Chinese "fishermen".

The trip has therefore accomplished Manila's objective of proving to the international community that the Chinese are undermining the status quo in the Kalayaan and unnecessarily causing tension there. By arranging for the coverage by foreign journalists, Manila has not only scored a public relations point against Beijing, it has also buttressed its territorial claim to the Kalayaan. As Acting Foreign Secretary Domingo Siazon put it when he turned down Beijing's request that the tour be canceled, the foreign journalists who were coming along for the inspection should be an indication of how they perceived the "sovereignty issue".

By drawing international opinion to the issue, Manila has hit back at Beijing in the most capable way it could, making full use of the resources of democracy and unmasking in the process China's unneighborly designs in the region. It has billed the trip as a concession to freedom of the press and made it just an item in the larger itinerary of visiting the Filipino settlements in the Kalayaan in order to conduct the elections there. In one fell swoop, the Philippines has been able to demonstrate its democratic character on contrast to the authoritarian regime in China as well as the fact that the Kalayaan is hers by virtue of the Filipino living there.

The rub is that the confrontation shows China's aggressiveness in pursuing its weak claim on Kalayaan. And with the Philippine military by all accounts standing eyeball to eyeball with the Chinese display of military last Saturday — the Italian-made jets of the Philippine Air Force screamed overhead during the stand-off to warn the Chinese —, what has been drummed to the international community is the seriousness of the Kalayaan dispute. In such a t, hostilities in the islands could break out any time.

But the tension could be managed by forceful diplomacy and imaginative show of force against Beijing. Manila has been able to compel Washington to issue a statement which voiced United States' interest that "freedom of maritime investigation" shall be preserved in the South China Sea, a clear potshot at Beijing over its Mischief incursions. Manila now has to navigate through the contentious domestic dispute over some sort of a military logistical arrangement of the US in the aftermath of the pullout of the Americans from Subic and Clark. Asian capitals and some sectors in the Philippines are loath to admit it but the key to controlling China and maintaining Asian security in the future is to America militarily engaged in the region.

Ramos Puts 'Pressure' on PRC Over Spratlys

BK1905104495 Manila PHILIPPINE DAILY
INQUIRER in English 18 May 95 p 8

[Editorial: "Bold move on Spratlys"]

[FBIS Transcribed Text] President Ramos is intensifying diplomatic pressure on China to halt the expansion of the Chinese presence on the Spratlys and to channel the dispute into multilateral negotiations. In receiving the new Chinese ambassador, Guan Dengming, the president emphasized that Mischief Reef, an atoll claimed by the Philippines and on which China has built permanent structures, was "just too close to home."

The reef is only 250 kilometers off Palawan and is the closest Chinese presence to the Philippines. The president made the pointed reminder to the Chinese as they protested a "provocative" visit last weekend by Filipino and foreign journalists to Mischief Reef and Pag-asa Island, also claimed by the Philippines. The Philippines is pushing the diplomatic offensive with its hands strengthened by the support of its ASEAN allies and by the expression of concern by the United States over the growing threat of armed conflict in the Spratlys.

The Philippines is the only ASEAN member which has stood up against attempts by China to expand its presence in the Spratlys in which Malaysia, Brunei, Vietnam, and Taiwan have also staked claims. The concern with which ASEAN views the probes made by China in the Spratlys was voiced by Noordin Sopiee, director general of Malaysia's Institute of Strategic Studies, when he said at a conference sponsored by Asia Society and Dow Jones in Beijing that China's efforts to stake a claim on Mischief Reef "had a very substantial impact on how we look at China." He said, "It made ASEAN less relaxed about China."

At the same conference, Singapore's Prime Minister Goh Chok Tong said that "China's rising power and arms buildup have stirred anxiety. It is important to bring into the open this underlying sense of discomfort, even insecurity, about the political and military ambitions of China."

These expressions of widely shared concerns in the region have forced the Chinese foreign minister, Qian Qichen, to declare that "China will never threaten to invade other countries. Instead it will always be a positive factor of world peace and development." This is, however, a vague reassurance because China continues to press for bilateral talks with rival claimant nations over joint development of the Spratlys. This position contradicts that of ASEAN which wants the dispute "internationalized" or "regionalized" — that is, channel it to multilateral negotiations. President Ramos

has rejected China's offers for bilateral talks, sharing with the Philippines' ASEAN allies the belief that bilateral talks would implicitly recognize China's claim of sovereignty over the Spratlys and would lead to divide and rule.

'Creative' Policy on Spratlys Leads to Success

BK1905102995 Manila PHILIPPINE DAILY
INQUIRER in English 18 May 95 p 8

[Editorial: "Creative diplomacy"]

[FBIS Transcribed Text] The decision to take on China on the Spratlys is the boldest foreign policy initiative ever taken by the Ramos administration. It is even more remarkable if we consider that he took a stand despite the military and economic weakness of the Philippines. That the Philippines forcefully challenged Chinese creeping expansion in the Spratlys was a shock to China, as well as a surprise to our ASEAN allies. They never expected the "sick man of Asia" to take on the Chinese giant on the question of territorial integrity. The diplomatic gamble paid off. It brought to the surface historic fears in Asia about the Chinese threat, which is more magnified by the modernization of its armed forces and its rapidly expanding economy.

President Ramos' gamble touched a raw nerve among Asians, and now many of our neighbors have dropped their reluctance to warn against the Chinese threat. The fear and anxieties over the Chinese move on the Spratlys are based on stronger grounds than sovereignty or who should exploit maritime resources supposed to lie underneath the atolls. The larger issue, as pointed out by Goh Chok Tong to Chinese Foreign Minister Li Peng, involves the freedom of navigation in the South China Sea, over which China claims sovereignty based on antiquarian maps.

It was the Philippines' actions that proved to be the catalyst of the new-found solidarity among ASEAN and the Asia-Pacific nations, notably Japan and the United States, to forge a common stand in persuading China that it is in her interest to bring the dispute within the framework of multilateral negotiations. The Philippine action proves that tough diplomatic decisions can give us a position of strength if we get international support behind us. This is what we call creative diplomacy.

Manila To Build Lighthouses in Spratlys

BK1905045195 Quezon City Radio Filipinas
in English 0230 GMT 19 May 95

[FBIS Transcribed Text] The Philippines will push through its plans to build lighthouses in the Kalayaan Islands in the South China Sea to keep Beijing from occupying them. This was announced by Malacanang

and media officials Thursday. Media officials said one lighthouse have already been built for P [Philippine pesos]12.5 million. A Chinese who flew to Kalayaan last week said a newly built lighthouse on Pag-asa island. A Malacanang official said that besides the lighthouses, the government will also set up markers to redefine the country's boundary in the South China Sea.

The Malacanang official said the lighthouse project was approved by President Ramos on 12 February 1994, almost a year before the discovery of the Chinese structures on Panganiban Reef. The Department of Energy has set aside at least P278 million to build up lighthouses and set up new markers. China's intention to build structures on the reef, one of about a dozen islands in the Kalayaan Group being claimed by Manila, has strained relations between the two countries. Manila has protested Beijing's building of the structures on the Panganiban Reef. China has protested Manila's allowing the trip by 38 journalists to the area last week. Beijing warned the Philippines on Tuesday that it faces serious consequences if repeated a similar tour for journalists.

Thailand

U.S. Urged To Settle Trade War Via WTO

BK1905031495 Bangkok THE NATION in English
19 May 95 pp 1, 3

[Report by Atchara Phongwuthitham and Wichit Chaitrong]

[FBIS Transcribed Text] The United States should not unilaterally try to force Japan to open up its markets, but should present its case to the World Trade Organization [WTO], the governing body on international trade, Deputy Prime Minister Suphachai Phanitchaphak said yesterday.

He is the first high-ranking Thai official to comment since the U.S. announced sanctions on imports of Japanese luxury cars following the breakdown of talks between the two economic superpowers.

Suphachai, chairman of the International Economic Relations Committee, was speaking at a seminar on the World Trade Organization and its effect on the Thai economy, organized by the Faculty of Thammasat University and Thai Petrochemical Group.

He admitted that Thailand had always welcomed U.S. pressure on Japan to open up its market, since it would also benefit Thailand, but noted, "We should use the WTO to press Japan to open its markets.

"It would be the first test case and set a precedent on the norm of international trade practices," he said.

Although Thailand is very competitive in the export of agricultural products, the Japanese market is closed to Thai producers. The Japanese Food Agency has a monopoly on rice and limited imports.

Nor are tariffs necessarily consistent.

"Japan imposes high tariffs on our boneless chicken, but lower tariffs on frozen chicken from the U.S.," Suphachai said.

Suphachai expressed concern that the U.S. might also act unilaterally against Thailand. He said Washington has already partially cut tax privileges for Thai products under the Generalized System of Preference (GSP) program.

He said the U.S. is Thailand's biggest market. Bangkok has a Bt80-100 billion trade surplus with U.S., so Thailand must pay attention to that market.

Danai Tunlalampha, the Thai chief representative at the WTO, said he is also in favor of the U.S. and Japan taking their auto-parts dispute to the WTO.

He said the dispute centers on legal issues. "The GATT agreement does not cover a possible conspiracy among private companies in one country not to import some products from another."

Only a government, not the private sector, could be charged by a trading partner with unfair trade practices, he said. "I understand from the news that Japanese companies are conspiring not to buy U.S. goods," he said.

Developed countries such as the U.S., Canada, Australia and the European Union are preparing to raise this shortcoming in the GATT agreement on the actions of private companies at the WTO's ministerial conference at the end of next year in Singapore.

Suphachai said he wants confirmation from WTO chief Renato Ruggiero that he would be impartial in his duty and not act as the European Union's representative.

Ruggiero, an Italian, is due in Thailand on May 28 on his way to a meeting of the Cairns Group ministers in Manila.

"Since the EU agricultural market is closed, we want confirmation that Ruggiero, who comes from Europe, will stay neutral (and not apply EU policies)," Supachai said.

Suphachai intends to explain to Ruggiero that the agricultural agreement reached at the WTO is higher than previously proposed and puts Thailand at a disadvantage among developing countries.

Thai oil seed also faces problems because the EU often claims there are toxic residuals in shipments, Suphachai said.

The EU applied anti-dumping measures against Thai exports before the investigation began, he said.

Suphachai said he will attend the Cairns Group meeting and propose a round of agricultural trade negotiations.

"In the agricultural agreement, we got only one-third of what we sought. We will press for the rest."

Under the GATT agricultural agreement, developed countries agreed to reduce domestic subsidies by 20 per cent within six years and developing countries by 13 per cent within 10 years from Jan 1.

Developed countries must reduce export subsidies by 36 per cent within six years and developing countries by 24 per cent within 10 years. Developed countries must cut import tariffs by 36 per cent within six years and developing nations by 24 per cent within 10 years.

Suphachai also said that Asia-Pacific Economic Cooperation (APEC) forum should press for the implementation of GATT before setting the APEC free trade agenda.

APEC should limit any free trade program before the year 2000 to developed countries within the organization, such as U.S., which were ready for voluntary trade liberalization, he said.

Reports Leading to Dissolution of House

Editorial Against Dissolution

BK1805134695 Bangkok THAI RAT in Thai
18 May 95 p 3

[Editorial: "Don't Do the Wrong Thing"]

[FBIS Translated Text] Prior to the opposition parties' move to call for the opening of the no-confidence debate against the whole cabinet from 17 to 19 May, several senior members of the Democrat Party noted that if the government loses the censure motion, it could use its constitutional right to dissolve the House of Representatives. As a result, the government would become a caretaker government.

Other leading members of the Democrat Party said that if the government is unable not win the no-confidence debate, the government has two choices — resignation or dissolution of the House. It is the prime minister who will make the final decision. Meanwhile, Major General Sanan Khachonprasat, secretary general of the Democrat Party, said he is confident that the government

will survive the censure motion, adding however that "if the government loses, it will dissolve parliament."

The opposition has never once in the history of Thai politics been able to topple the government in any no-confidence debate because it cannot muster enough "no-confidence votes" against it. However, it is possible that the government might lose this time because the opposition bloc is so well prepared and has strong evidence to incriminate the government over the land reform scandal.

There has been a rift among the coalition parties. For instance, some MP's in the Chat Phatthana Party have pledged not to raise their hands for the government at the end of the no-confidence debate. At the same time, the Phalang Tham Party still clings to a dubious position, with its leader reaffirming that his group will adhere to the morality principle and Phalang Tham's Group 23 MP's saying they will abstain from voting.

It is feared that the government might be defeated in parliament and have to decide to choose one of the two options: either to resign or to dissolve the House. It is true that the Constitution gives the prime minister the power to dissolve the House, but he should not do that. Instead, he should resign and allow other political parties to form a new government.

Article 172 of the Constitution of the Kingdom of Thailand clearly stipulates that the entire cabinet will have to resign if more than half of the members of the parliament vote against it in any no-confidence debate held under the provisions of Article 156, that is, if more than 181 MP's vote not to allow the government to continue its administration of the country.

The prime minister has always claimed that he believes in the parliamentary system. Under the system, the government is required to command the support of the majority in parliament. If the government fails to win the confidence of the majority in parliament, it should resign, not dissolve parliament, because by so doing it will set an unwelcome tradition in Thai politics. It must choose to do what is right to strengthen the country's democratic system.

Coalition Party Pulls Out

BK1905005495 Bangkok *THE NATION* in English
19 May 95 pp 1, 3

[FBIS Transcribed Text] The Phalang Tham Party [PDP] resolved early this morning to pull out of the Chuan administration, which now faces a crucial no-confidence vote in the House of Representatives this afternoon without PDP support.

Unconfirmed reports said Chawalit Yongchaiyut's New Aspiration Party [NAP] may be invited back into the coalition.

Neither officials from the NAP nor the Democrats were available for comment late last night, but sources said other opposition leaders were trying to block the NAP's return to the government.

The PDP decided that the Democrat Party had failed to clarify allegations of irregularities in its handling of the controversial land reform program and to abstain in the vote on the no confidence motion scheduled for 1.30 pm today.

The no-confidence debate ended at 10.45 pm. The PDP announced its decision at a press conference at 12.20 am.

"The Phalang Tham Party decided to abstain and withdraw from the government. We will inform the prime minister of our decision today," Phalang Tham leader Chamlong Simuang said.

After the debate Chamlong, also deputy prime minister, chaired a meeting of members of his party.

There were reports that Chamlong would not have the support of either the religious faction, which dominates the executive committee, or the Group of 23 dissident MPs if he decided to remain in the Democrat-led coalition and give the government a vote of confidence.

The religious faction previously made known its intention to abstain when the crucial vote was called, or to push for the PDP to withdraw from the government if they felt the ministers under attack had not justified their actions.

Thirteen dissident lawmakers belonging to the Group of 23 also informed Prime Minister Chuan Likphai they would abstain when the vote of confidence was called.

Chat Phatthana Party, the second-biggest coalition partner, yesterday told the prime minister at least five of its 60 MPs would either abstain or vote against the government.

If the Phalang Tham Party decided to abandon the coalition government, Chuan would have no choice but to resign or dissolve the House of Representatives to avoid humiliation when the vote of confidence was called.

In a flurry of activity to prevent a breakup of the government, the prime minister and senior Democrat executives met leading members of Phalang Tham and Chat Phatthana at separate meetings yesterday.

Sources said the Democrat executives were told by MP Chamni Sakdiset (PDP-Nakhon Si Thammarat) that the majority of the 46 Phalang Tham MPs had already made up their minds not to support the Democrat Party.

In the meeting with deputy Chat Phatthana leader Kon Thappharangsi, the key Democrats were told at least five Chat Phatthana MPs, including Phairot Suwanchawi of Nakhon Ratchasima, would either abstain or vote against the government.

Before the end of the no-confidence debate last night, Prime Minister Chuan met Chamlong, Chat Phatthana secretary-general Prachuap Chaiyasan and deputy Chat Phatthana leader Kon Thappharangsi at his office in Parliament House.

During the meeting the prime minister asked the senior executives of the government parties to make sure their MPs gave the government a vote of confidence.

Democrat sources said key Democrat executives agreed that Chuan should resign as prime minister only as the last resort, provided that he had the assurance that other parties would support his return as chief executive in the new coalition.

Before the PDP announcement Democrat secretary-general Sanan ruled out the possibility of bringing in the New Aspiration Party.

Sources said the prime minister and key Democrats were considering options, other than a House dissolution, initiated by key Chat Phatthana executives.

The options were conveyed to senior Democrats by deputy Chat Phatthana leader Kon Thappharangsi were:

The prime minister and Cabinet to resign on condition that the New Aspiration Party rejoins the coalition government if Phalang Tham pulled out, and committed itself to support Chuan as prime minister.

The whole Cabinet except the prime minister resign and the New Aspiration Party be brought in to replace the Phalang Tham Party.

New Aspiration secretary-general Sukkhawit Rangsitphon yesterday met Deputy Prime Minister Banyat Bantathan, also deputy leader of Democrat Party, to give an assurance that the NAP wanted to come back as a coalition partner, according to sources.

Democrat sources said Democrat secretary-general Sanan was non-committal on both options. Sanan was quoted as saying the Democrat Party wanted to know first what the PDP decided at its meeting late last night.

Interior Minister Sanan yesterday met Pricha Phadungchan, chief of the Local Administration Department's Elections Division, at his office in Par-

liament House to discuss the possibility of the prime minister dissolving the House, a move that would pave the way for fresh general elections.

Permanent Interior Secretary Ari Wong-araya said Interior Ministry officials had been alerted to the possibility of a House dissolution and general elections since Wednesday.

Copies of a two-page document containing tables of probable election dates if a House dissolution was ordered by the prime minister in the next few days were distributed at Parliament on Wednesday.

Deputy Interior Minister Suthat Ngoenmun confirmed that the document was genuine.

Party Chief To Withdraw

BK1905010295 Bangkok Radio Thailand Network in Thai 0000 GMT 19 May 95

[FBIS Translated Text] According to a report by a Public Relations Department's correspondent, the Phalang Tham Party met after the House meeting last night. The party meeting concluded at about 2400.

Phalang Tham Party Leader Major General Chamlong Simuang disclosed after the meeting that his party would abstain from the vote on the no-confidence debate on 19 May. As the party has decided to vote in a different way from other coalition parties, it has therefore decided to withdraw from the coalition government effective immediately. Maj. Gen. Chamlong said the party's decision is based on political righteousness and the interests of the people.

Royal Decree Dissolves House

BK1905062595 Bangkok Thai Color Television Channel 9 in Thai 0540 GMT 19 May 95

[Royal Decree on Dissolution of the House of Representatives — Dated 19 May 1995]

[FBIS Translated Text] Royal Signature: King Phumiphon Adunyadet, Rex.

His Majesty King Phumiphon Adunyadet graciously decrees the following announcement:

The prime minister has reported to me that the current House of Representatives comprising several political parties does not have a political party with enough seats to form a government, that it is necessary to form a coalition government of several parties, and that there are conflicts within several political parties, thus making it difficult to carry out political activities effectively and causing obstacles to the national administration and development. Even though a new government can be

formed, such problems can remain, which can cause the democratic system to deteriorate. So, it is deemed appropriate to dissolve the House of Representatives and hold a new general election.

By virtue of Articles 118 and 178 of the Constitution of the Kingdom of Thailand, as additionally amended by the Constitution of the Kingdom of Thailand in the fifth issue of 1995, His Majesty the King graciously issues the following decree:

Article 1: This Royal Decree shall be called: the Royal Decree on the Dissolution of the House of House of Representatives B.E. [Buddhist Era] 2538 [1995]

Article 2: This royal decree shall become effective from the date it is announced in the royal gazette.

Article 3: The House of Representatives shall be dissolved to pave the way for the election of members of the House of Representatives.

Article 4: Members of the House of Representatives shall be elected in a general election on 2 July, 1995.

Article 5: The interior minister shall execute this royal decree.

Countersigned: Chuan Likphai, Prime Minister

Editorial Links 1992 Event to House Debate

BK1805105595 Bangkok BANGKOK POST
in English 18 May 95 p 4

[Editorial: "Is This What the May, 1992 Victims Died For?"]

[FBIS Transcribed Text] Yesterday marked an important day in Thai politics because of two special events. Three years ago yesterday, army troops, acting on the order of the then director of the Bangkok Peacekeeping Force, opened fire on unarmed pro-democracy demonstrators in Bangkok streets, killing scores of them and causing serious injuries to others. Tragic and traumatic though it was, the event resulted in the departure of a despotic regime and gave a rebirth to democracy and an elected administration. Also yesterday, the same government which owed its very existence to the selfless sacrifice of those unsung heroes and heroines came under ferocious attack by the Opposition which is questioning its legitimacy.

By chance or by deliberation, the two events took place on the same date, albeit three years apart. Quite strangely though, the public mood towards Gen [General] Suchinda Khrapayun then and towards Prime Minister Chuan Likphai's government now possess similarities, although of markedly differing degrees. Many people then felt angry, betrayed and desperate and

wanted the regime ousted. Now, exactly three years later, quite a few of them still feel disappointed and betrayed and have lost trust in the government they elected into office.

The Government could have avoided the ordeal of being grilled by the Opposition in the full glare of national publicity and could also have drawn public sympathy, had it not forgotten its preelection pledges and, above all, the lesson of the May tragedy.

Except for a handful of people who lost their loved ones, the tragic event has faded from the memory of Cabinet ministers, politicians and the public. Even the despots who ordered the brutal crackdown on the peaceful demonstrators may also have forgotten the cardinal sin they committed against the people and the country during those fateful days.

To accuse the Thai people in general of having a short memory, especially for tragic incidents, may well be an insult. But it would not go amiss to ask any individuals these days whether the October 14 uprising in 1973, the October 6 bloodshed in 1976 or the disastrous Kader doll factory fire really mean anything to them or provide them with any worthy lesson that should be heeded? Will any of the incidents arouse their conscience or remind them of disastrous errors which must not be repeated?

Three years afterwards, it appears that the selfless sacrifice of the "Black May" victims has been in vain. The Constitution, although recently amended, remains flawed and still does not provide enough protection for individual rights and the rights of women. It also cannot cope effectively with systematic corrupt politics, abuse of power and inefficient administration. The only real "benefit" seems to be an elected government which has not been able to fulfill the aspirations of the people. It has also betrayed their trust and confidence. Not even a memorial is in place for the victims who died and were maimed to bring it to power.

The deafening machinegun fire which echoed throughout the length and breadth of Ratchadamnoen Avenue has long dissipated into thin air. The bloodstains which smeared the surface of the road have long been washed away. Several of the dead have been buried, but those missing have yet to be accounted for. But there are still other disabled victims who are abandoned, still live in extreme hardship and anxiously wait for justice which is yet to be meted out.

Yesterday's debate could well be forgotten because the Opposition's revelation has put the people to shame for the widespread abuses of the land reform scheme by certain elements in the Government they elected into

office. But the crime against humanity in the massacre of unarmed demonstrators three years ago must not be forgotten although the perpetrators of this appalling tragedy can be forgiven under our Buddhist precepts.

The May event gave our flagging democracy a new breath of life and served as a grim reminder that this heinous affair must never be repeated. Will the damning censure debate stir up the conscience of our MPs and give us another choice of exercising our mandate? The answer will be known soon.

Links Between Politics, Business Analyzed

*BK1905105195 Bangkok BUSINESS DAY in English
19 May 95 p 2*

[Commentary by Lee J. Miller: "Censure Upset Could Mean No More Business"]

[FBIS Transcribed Text] In Thailand business and politics are inextricably linked. Changing governments can mean changing fortunes for the country's business titans. With the outcome of today's no-confidence vote far from certain, many major players will be sitting on the edge of their leather seats, waiting to know the fate of their billion baht ventures.

The status quo would benefit companies such as Thanayong, Chinnawat Computer and Communications and Sino-Thai Engineering and Construction. Each has projects that could be derailed if the Government collapsed or the Cabinet was shaken up.

Thanayong's biggest supporter for its mass transit project is the Phalang Tham Party, the third largest in the Government. Its downtown rail system, already delayed two years, could be further sidetracked if its political patron lost power. Phalang Tham's head, Deputy Prime Minister Chamlong Simuang, recently eliminated a police committee that was blocking construction.

Sino-Thai's founder and largest shareholder, Chawarat Chanwirakun became deputy finance minister in December, when the Chat Phatthana party shifted from the opposition to the coalition. Sino-Thai is involved in several government projects.

"A minister always gets phone calls answered or returned," said a Sino-Thai executive. "A businessman is sometimes kept hanging on."

Chinnawat, a telecommunications monolith, has government-granted monopolies on domestic satellite services and a cellular phone network. Its founder and largest shareholder, Thaksin Chinnawat, resigned in January as foreign minister.

Opposition parties hastened his departure, saying his position would provide his companies an advantage

in gaining contracts from foreign governments. A law was also passed to forbid a minister from holding a controlling stake in any company with a government-granted monopoly. Mr. Thaksin had been named under the quota of the Phalang Tham Party.

The quota system is why there is a fine line between enemies and allies in Thai politics. Cabinet posts are divided up based on the number of seats each party controls.

When the New Aspiration Party pulled out late last year, a road project contracted to a key supporter, Cho Kanchang, a major construction firm, was put on hold.

Among the most sought-after ministries are transport and communications, finance, industry, and interior. The latter has supervisory powers over municipal administrations and national elections.

Debate on the censure motion began yesterday. Its focus is the land reform program in Southern Thailand, where Prime Minister Chuan Likphai's greatest support lies. The program is supposed to give government land to landless farmers. But a number of sites have been deeded to relatives and friends of Democrat MPs.

Two Cabinet members, both Democrats, resigned earlier this year because of the scandal.

Opposition leader Banhan Sinlapa-acha said during the debate that the premier should resign because he is ultimately responsible for "the land giveaway fiasco".

Most Thais are taking it all in their stride. In a country where kickbacks, vote buying and political flipflops are commonplace, few are surprised when the wealthy benefit from a program designed to help the poor.

Moreover, even as the opposition leader is publicly attacking the government, he is holding talks to pave the way for his Chat Thai Party to join the coalition if one partner pulls out, according to many newspaper reports.

"There is too much money to be made for politicians to stick to principles," said Chaiyaphon Nompithakcharoen, an analyst for SCF Finance and Securities.

Mr Chuan has now been in power since September 1992, making him the longest-serving democratically elected prime minister in Thailand's history.

But he has been in a tenuous position all along.

The Democrat-led coalition has been reshuffled several times with former opposition parties replacing one-time Chuan allies.

The joiners are rewarded with cabinet posts. The coalition has a 201-159 majority in the House of Representatives.

Some members of the Chat Phatthana and Phalang Tham parties, the second and third-largest in the government, say they may vote against the government.

The determinant will be their prospects in an election or reshuffle, not the wrongdoing of any government official, Mr Chaiyaphon said.

The debate is expected to continue at least through today.

Banker on Possible Overheating of Economy

*BK1905034595 Bangkok BANGKOK POST
in English 19 May 95 p 15*

[Report by Butsaba Siwasombun]

[FBIS Transcribed Text] The Bank of Thailand has admitted for the first time that the economy may be overheating this year and the central bank may not be able to keep inflation below the 5 percent target.

Governor Wichit Suphinit reportedly made the admission at yesterday's meeting of the Court of Governors. Central bank officials are to be told to review their projections for this year's economic performance.

The negative scenario reflects the performance of the economy during the first four months of the year, according to a central bank source.

Imports during January-April rose 27.9 percent over the same period last year despite a target of 22-23 percent. The trade deficit was 80 billion baht, against a projected 64-66 billion baht.

The current-account deficit was 59 billion baht, much higher than the targeted 45-47 billion baht.

The Commerce Ministry has pointed out that inflationary pressure is mounting and the consumer price index has been rising. The main cause of rising consumer goods prices is the increase in prices of agricultural products.

In its open statement, the Bank of Thailand insisted that the inflation rate this year would be manageable. It said the increase in the prices of agricultural products was in the real sector not the financial sector, but was beyond the Bank of Thailand's authority to control.

It said the hike of agricultural product prices was a short-term phenomenon, and it was expected that the prices would fall in the second half, reducing inflationary pressure.

The source disclosed that Mr. Wichit told the meeting that the rice in agricultural product prices had caused the situation to deteriorate because the price hikes increased farmers' incomes, boosting their purchasing power and leading to overspending.

Data for the first four months show that private sector expenditure increased sharply. Sales of pick-up trucks soared 22 percent in the provinces.

Deputy governor Roengchai Marakanon said the economy in the first four months was likely to grow faster than 8.5 percent.

Although the economy was expanding faster than projected, Mr. Roengchai said the central bank still insisted that it would be able to control the inflation rate at 4.8 percent despite the announcement by the Commerce Minister of a consumer price index for April of 5.4 percent.

This is because the projection of the Bank of Thailand is based on longer-term factors.

Mr. Roengchai said the central bank had brought in a number of measures to prevent the economy from overheating, and these would be fruitful in the long term in stabilizing the economy.

Assistant governor Siri Kancharoendi said it might be too early to conclude that the inflation rate would be high this year.

He added that at the moment, there was only information for the first quarter. The central bank will assess the economic situation again when it gets further data.

Failed Rice Crop Causes 'Famine' in Son La

*BK1805133995 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 16 May 95*

[FBIS Translated Text] Famine is widespread in Son La, especially in isolated areas where wet rice crop cannot be planted, due to the failure of the 1994 upland rice crop, which was caused by harsh weather. The number of people facing starvation before the harvest season is about 176,000 or 23 percent of the provincial population. This number includes 60,000 people suffering severe starvation and 5,500 social welfare recipients. Most of the starving people live in isolated areas; Da River Basin of Phu Yen, Moc Chau, Bac Yen; and mountainous areas of Song Ma and Thuan Chau districts.

With the support of the central government, the province has lent 6.95 billion dong interest free to more than 2,000 families to buy food, thus relieving their starvation and helping people living in isolated areas to continue their agriculture production. However, this is only

a temporary solution. In the long run, the people living in isolated areas and in Da River Basin hope that the central and provincial governments will create favorable conditions for them to change their production direction to eradicate persistent famine and poverty.

Vietnam

Normalization Proponents in U.S. Praised

*BK1805115995 Hanoi Voice of Vietnam in English
1000 GMT 18 May 95*

[Station commentary]

[FBIS Transcribed Text] American congressmen are concentrating on the normalization of relations with Vietnam. It was evident in the recent high-level mission sent by President Bill Clinton to this country. Our radio editor comments:

A group of congressmen from both Republican and Democratic Parties is investigating the prospect for normalization with Vietnam over the next few months. Personnel from different Senate offices met for the first time in early May to discuss whether action needs to be taken in the United States Congress and what is necessary to promote the normalization process. In their opinion, Vietnam war ended 20 years ago, enmity has been buried, and it is high time for the two countries to sit down to discuss important issues relating to bilateral relations.

Among American senators taking the lead in this area are Republican John McCain from Arizona state and Democrat John Kerry from Massachusetts. They both are Vietnam war veterans and both voiced support for the resolution of January last year which created political ground for President Clinton to lift the trade embargo against Vietnam, which had lasted for 19 years. Mr. McCain has called on the United States Government to resume full relations with Vietnam by autumn this year; that is, before the peak of the presidential election campaign, which may affect the U.S. Administration's normalization of relations with Vietnam for domestic political reasons.

There remains the opinion in domestic American politics that the United States Administration should delay normalization of relations with Vietnam and further force the promotion of the missing in action — or MIA — issues. This argument has been rejected by the American public. Mr. McCain, after quoting American military officials involving in the MIA search, estimated to cost \$100 million a year, said Vietnam's cooperation in this field could not be faulted. Many American officials agree with this statement by Mr. McCain and support speedy normalization with Vietnam. They in-

clude Frank Murkowski of the Republican Party from Alaska and Mr. Charles Robb, Democratic Party, Virginia.

Official Comments on PRC, NPT, Spratlys

*BK1805160195 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 18 May 95*

[FBIS Translated Text] The Ministry of Foreign Affairs held its regular news conference in Hanoi this afternoon with a large number of foreign and domestic correspondents in attendance.

Answering a question by a correspondent of Japan's NIKKEI on the purpose of the current visit to China by Foreign Minister Nguyen Manh Cam, Mr. Ngo Van Hoa, Deputy director of the Foreign Ministry's Press Department, said: The visit aims at promoting cooperative relations in various fields between the two countries and exchanging views on regional and international issues of common concern. Mr. Ngo Van Hoa added that Vietnamese-Chinese relations have been continually developing. Since the beginning of the year, Vietnam and China have exchanged tens of delegations from all sectors and different levels, including delegations led by ministers and directors general.

To questions raised by AFP, REUTERS, ITAR-TASS, and (AKAHATHA) correspondents on Vietnam's stand regarding the extension of the Nuclear Nonproliferation Treaty, the deputy director of the Press Department said: The extension of the Nuclear Nonproliferation Treaty corresponds to Vietnam's stand in support of measures that aim to disarm all nuclear weapons completely and resolutely.

Answering a question raised by a (AKAHATHA) correspondent regarding the Spratly Archipelago issue, the deputy director of the Vietnamese Foreign Ministry Press Department said: On many occasions Vietnam has affirmed the full historic, legal, and real evidence to support its sovereignty over the Paracel and Spratly Archipelagoes. Yet given the reality that other countries also have sovereignty claims over the Spratly Archipelago, and in the interest of regional peace, stability, and cooperation, Vietnam holds that all disputes on sovereignty over the archipelago should be solved through negotiation. While all efforts should be exerted to find long-term solutions through negotiation, stability should be maintained on the basis of the status quo. The parties concerned should refrain from further complicating the situation, using force, or threatening to use force. A number of countries in the region share Vietnam's stand.

Dissident Buddhist Monk 'Deported' to North

*BK1905102695 Hong Kong AFP in English
0929 GMT 19 May 95*

[FBIS Transcribed Text] Hanoi, May 19 (AFP) — The secretary general of Vietnam's dissident Buddhist church, Thich Quang Do, has been "deported" to the north of the country, Buddhist opposition sources abroad said in a communique received here Friday.

The monk was transferred from a prison in Ho Chi Minh City to an "isolated" pagoda in his home province of Nam Dinh, south of Hanoi, where he is "in detention," according to the Paris-based International Buddhist Information Bureau.

"The deportation of Venerable Thich Quang Do to Nam Dinh without any form of hearing is a flagrant violation of Vietnamese and international laws," the statement said.

Sources close to dissident Buddhists in Ho Chi Minh City confirmed the report but independent confirmation was unavailable, and authorities declined to comment.

Do, 68, also known as Dang Phuc Tue, is number two in the United Buddhist Church of Vietnam (UBVC).

Known for his opposition to the communist regime, he has already spent ten years under house arrest from 1982 to 1992, in his birthplace of Vu Doai, near Nam Dinh.

He was arrested on January 4 in Ho Chi Minh City for protesting against the banning by authorities last November of a UBVC mercy mission to help victims of flooding in the Mekong delta.

The Foreign Ministry in Hanoi said that Do would be judged "according to Vietnamese law," and as a common criminal and not a religious activist, for having "caused trouble". It appears he has not been sentenced yet.

"If the Government esteems that Venerable Thich Quang Do has committed a criminal offence, they must give him a fair trial, assisted by defence lawyers of his choice," the UBVC statement said.

Meanwhile, three monks and two lay-people, accused of having organised the aborted Mekong mission, are still in custody in Ho Chi Minh City following their arrest last November, dissident sources in the city said.

One of the monks, Thich Nhat Ban, began a hunger strike at the beginning of the month to protest against the imprisonment of the five without trial, the same sources said.

The authorities have yet to confirm the five arrests.

Ho Chi Minh City Archbishop Interviewed

BK1805134395 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 29 Apr 95 p 2

[Interview with Nguyen Van Binh, archbishop of Ho Chi Minh City, by an unidentified SAIGON GIAI PHONG correspondent; place, date not given]

[FBIS Translated Text] [SAIGON GIAI PHONG] On 30 April 1995, it will be exactly 20 years since the liberation of Saigon, now known as Ho Chi Minh City. As a leading Catholic Church official in Ho Chi Minh City, could you give us your impression and your views on your 20 years of living and practicing religion under the socialist regime?

[Nguyen Van Binh] My deepest impression when looking back over the past 20 years is that I have already lived the longest part of my life.

I was born in 1910 and am going to turn 85. The past 20 years were indeed close to the end of my life. They were also close to the end of my career as an archbishop — I have been assigned to the Saigon diocese since 1960. As an archbishop, I spent 15 years working under the previous regime and 20 years under the present regime, and my current position is only nominal.

A person's life can be likened to going on a mountain trek. The first 50 years are like climbing up the mountain and the last 50 years are like climbing down. When climbing up, you may feel that time drags. When climbing down, you may feel that time is passing by too fast.

To me, the past 20 years were the period of climbing down the mountain. Somehow, I feel that this period was too long. Psychologically, you often feel that time is too slow when you are expecting something.

[SAIGON GIAI PHONG] Could you be more specific about your expectations?

[Nguyen Van Binh] As a Vietnamese, I want to see our country become prosperous and powerful. As a clergyman of the Catholic Church, I always want to see church affairs flourish and the religion enjoy freedom and a state of normalcy. There were many things that I waited for in vain for a long time. They never came, or if they did they arrived at a gradual, very slow pace.

[SAIGON GIAI PHONG] We know you are a patriot and a man who always works for the sake of the nation.

[Nguyen Van Binh] All Vietnamese are expected to love their country. When I was young, I watched a soccer game between a Vietnamese all-star team and a foreign team. I noticed that in addition to myself, all the people sitting around me, as well as Vietnamese whom I knew

held foreign citizenship, always cheered the Vietnamese team. They fervently clapped their hands in support of the Vietnamese team whenever it scored a goal.

During the 1945-46 period, upon learning that some Vietnamese Catholic priests had left to join the resistance against the French, I felt great admiration. I was very happy in 1975 when the Catholic priests who had regrouped to the north returned to the south.

Yet it goes without saying that in the old days, as I learned about the difficulties facing the Catholic Church in the former Soviet Union, Eastern Europe, China, and the north, I was afraid of the communist regime.

Next came the liberation of South Vietnam and Saigon in April 1975. As a Vietnamese citizen, I was very happy. Because of my role as a leading church official, however, I worried about the uncertainty of church affairs. Nonetheless, I called on Catholic priests, clergymen, and laymen to stay and contribute to national construction. This is because I believed that, as Vietnamese, we could make arrangements to coexist. This turned out to be true.

The process of national unification in terms of state organization started in 1975. I knew that national unification was a necessity and would be achieved sooner or later, but I was worried because I did not know if the same policy toward religion in the north would be applied in the south. Nonetheless, because of my belief in God and the people, I urged Catholics to welcome national unification as good news and God's blessing. Some people blamed me for applying the good news in the wrong place. Afterward, some people told me that national unification came too early. To date, I am still unable to say anything about the accuracy of that evaluation. Nevertheless, I believe that if national unification had not been achieved, nobody would have known how to deal with the great difficulties we have encountered over the past 20 years.

[SAIGON GIAI PHONG] So after 20 years of working under the communist regime, are you still afraid of the communists?

[Nguyen Van Binh] Yes, I am still afraid... When we read major party and state policies and lines and meet with high-ranking leaders, we see that everything is easy, but when we manage grass-roots activities, we still encounter very complicated problems. When I am informed of the difficulties facing Catholic priests, clergymen, and laymen in various localities, I really do not know what to say. Even at the central level, there are many very simple problems that should have been resolved once and for all instead of being dragged on and on by the application of partial solutions. As a case

in point, let me mention the training of priests. Why are we not allowed to recruit annually like other universities and seminaries in the world, instead of only once every six years, then once every three years, and now once every two years? Why must the state restrict the number of priests for each diocese? What will the party, state, or society lose? Or is it the policy of the party and state to restrict the number of priests to hinder the development of the Catholic Church?

[SAIGON GIAI PHONG] With regard to the Ho Chi Minh City diocese alone, what are your impressions?

[Nguyen Van Binh] Everyone admits that relatively more tolerant measures have been applied to the Ho Chi Minh City diocese than anywhere else. Yet measures that go beyond what is necessary have been taken in incidents involving Vinh Son Church, some orders in Thu Duc, the Dong Cong order, and so forth. Nonetheless, measures have been taken to overcome the consequences of the aforementioned incidents and it can be said that no considerable upheavals have occurred over the past 20 years. Regarding religious activities, no problems have been reported over the past several years. One problem still drags on, however. The appointment of an apostolic administrator — or to be more specific, the selection of my successor — has dragged on for a relatively long time without any solution in sight — the problem concerning the appointment of an apostolic administrator has lasted nearly two years. Why?

[SAIGON GIAI PHONG] In your opinion, leaving aside the issue of the appointment of a deputy archbishop with the right to succeed you and the issue of the apostolic administrator, the social and religious situation in this city since the liberation of South Vietnam has been reasonably good. What do you think is the reason for this?

[Nguyen Van Binh] First of all, we must say that because the former and current leaders of Ho Chi Minh City have realized that the religious situation in this city is of great importance, they have always given it particularly profound and close attention. The Vietnam National Front's policy of Great Unity has been implemented satisfactorily. Therefore, all issues under the authority of this city have been settled fully and rapidly, and other issues not under this city's authority have been reported at the appropriate time for further instructions.

On the other hand, many priests, clergymen, and followers anticipated the current issues in the new society. Therefore, they have actively motivated all parishes and orders to participate in national construction and protection, thus creating a harmonious atmosphere between

society and religion, and facilitating the settlement of Catholic issues.

Both of the two aforementioned factors are very important. Since, if we have the close attention of the leaders but do not have nucleuses, the movement cannot proceed; and if we have nucleuses but we do not have understanding leaders, the nucleuses can not develop their actions.

[SAIGON GIAI PHONG] How do you evaluate the role of the patriotic organizations of the Catholic patriots and the CONG GIAO VA DAN TOC [Catholicism and Nation] magazine?

[Nguyen Van Binh] I have always supported the Catholic Motivation Committee formed in early 1980 and then the Catholic Unity Committee formed in late 1983 because I think that such organizations are necessary to mobilize the participation of the Catholic patriots to the national cause. Before the formation of these organizations and right after liberation day, the Apostolic Administrative Office organized and motivated priests, clergymen, and followers to participate in production activities, water reservation work, and so on. However, after the birth of the Catholic Motivation Committee and, following that, the Catholic Unity Committee, these organizations have arranged these activities in conformity with their functions.

Of course, some people have hesitated, and have even been antagonistic, because they fear that a Catholic organization staying outside of the structure of the Catholic Church will become the germ for an autonomous or parallel Catholic Church, as has happened before in history. However, there is no such danger in Vietnam because the people who set up these organizations hold high positions in the Catholic Church and they have close contacts with religious leaders in charge of different parishes, dioceses, orders, and so forth. Moreover, brothers and sisters working in these organizations have always reported to me and sought my opinions before they do anything. Nevertheless, I still hold that these organizations are mundane organizations with social and citizenly characteristics; therefore, church followers must play an active role. At the moment, these organizations are developing strongly, so the priests and clergymen should be present only when they are badly needed.

About the CONG GIAO VA DAN TOC magazine, it is nearly 20 years old now. In its first publications, there

were some articles with which I was not happy, but the magazine certainly contributed to improving mutual understanding among Catholics and non-Catholics, specially helping Catholics better understand the new society. Recently, the magazine started its reform in the right direction and since the beginning of 1995, besides its weekly issues, the magazine has published additional monthly issues. I think this will create favorable conditions for the magazine to fulfill its duty.

[SAIGON GIAI PHONG] As a leader of the Catholic Church in Ho Chi Minh City, what are your views about the future of Catholicism and the nation?

[Nguyen Van Binh] I am now old and weak, I cannot work much anymore. I have only some wishes:

1. The religious and social relation in Ho Chi Minh City and other localities in the past 20 years, generally speaking, has been good. I hope that this relation will be maintained and developed further, thus benefiting the nation and the Catholic Church.

2. To achieve this, I hope that the party and state will quickly and completely solve some unwarranted matters that have existed concerning religious policy for dozens of years, and at the same time introduce clear guidelines and regulations to ensure the normality of religious activities and to help devout people harmoniously contribute to national construction along with other people.

3. The Vietnamese Catholic Church has outlined for itself a very correct line of religious service, that is, "living by the gospel in the heart of the nation for the patriots' happiness." I pray that the Catholic Church will further exploit the new advantages to prove that it is a church of service. While an proud or authoritarian church can only make non-Catholics feel jealous or uneasy, a serving church is always welcomed by everybody, especially in a society that needs and recommends service, as our current society does.

4. Our country, with its present rate of development, will become a dragon or a tiger of Asia. However, it needs to pay attention to directions and regulations to reduce the gap between rich and poor so that the laboring people will not be sacrificed and the poor not neglected in the market economy.

[SAIGON GIAI PHONG] Thank you sincerely.

Australia

U.S.-Japan Dispute Taken on 'New Dimension'

*BK1705061695 Melbourne Radio Australia
in English 0500 GMT 17 May 95*

[FBIS Transcribed Text] Australia has acknowledged United States' concerns about opening the Japanese car market but says it opposes unilateral action by Washington. The Australian Government says publication of the trade retaliation list by the United States means the dispute with Japan has taken on a new dimension.

Australia's trade minister, Bob McMullan, said the United States should seek to settle the dispute multilaterally through the World Trade Organization. He said Washington should not take unilateral action. Senator McMullan said Australia had commercial interest in the car dispute and did not want those compromised. The trade minister said there should be constructive dialogue between Tokyo and Washington in the 40 days before the sanctions are implemented.

Prime Minister's Visit to Tokyo Previewed

*BK1805105095 Melbourne Radio Australia
in English 0630 GMT 18 May 95*

[From the "International Report" program]

[FBIS Transcribed Text] Australia is trying not to take sides in the escalating U.S.-Japan trade dispute. Trade Minister Senator Bob McMullan acknowledged problems with the Japanese market, but criticized the U.S. method of trying to force it open. For its part, Japan has notified the World Trade Organization [WTO] of the dispute and has not ruled out imposing retaliatory sanctions on U.S. goods. The White House is threatening to impose 100 percent tariffs on 13 different luxury Japanese cars sold in the U.S.

From Tokyo, John Shovelan reports the dispute threatens to cast a shadow over Australian Prime Minister Paul Keating's free trade mission to Japan next week:

[Begin recording] [Shovelan] Prime Minister Keating arrives in Tokyo in a week's time, once again doing the hard slog of selling the Asia-Pacific Economic Cooperation group, or APEC. For Mr. Keating, the escalation of the trade dispute between Tokyo and Washington could not be more inopportune. The White House's decision to slap \$6 billion worth of punitive tariffs on 13 luxury Japanese cars — making most of them just as expensive as a Rolls Royce — undermines both the spirit and intent of APEC. The grouping exists solely to reduce trade barriers in the region.

On trade, Australia as a rule lines up with Japan. But on the issue of autos and auto parts our position is, as one government official described it, ambiguous. In

other words, we're fence-sitters and Canberra does not quite know which way to turn. Trade Minister Senator Bob McMullan in a statement today acknowledged the United States had legitimate concerns about the openness of the Japanese market. But in the next line he said Australia did not favor unilateral action. Australia would like to see the Japanese market forced open, but not using the Americans-only-please model Washington is trying to ram through.

Unless the issue is resolved over the weekend, Mr. Keating's efforts to try and prove that APEC can deliver this year real benefits to business will be overshadowed by a looming trade war between the two economic superpowers of the region. Japan's foreign minister, Yohei Kono, basically let the cat out of the bag today. He said the Japanese Government would not allow the trade dispute to damage APEC. An Australian Government official said just because they say it won't be affected does not mean it won't suffer in the fallout. Japan has already taken the dispute to the WTO. Japan's chief trade negotiator, Yoshihiro Sakamoto, said despite the U.S. protestations, the big three Detroit-based carmakers had not shown an interest in the Japanese market until now.

[Sakamoto] They need to deliver models suitable for the Japanese marketplace. The big three have not delivered a single model of the 2,000-cc [cubic centimeters]-or-under kind. It has accounted for some 8 percent of this market. And they have delivered only two models with the steering wheel on the right-hand side.

[Shovelan] Japan is notifying the WTO that the proposed \$5.9 billion worth of sanctions on Japanese luxury cars shipped to the U.S. market violates WTO rules. While the Japanese Government remains resolute in opposing so-called voluntary agreements set up by the U.S., Australian officials believe the U.S. demands are already damaging Australia's share of the Japanese car and car parts market. While they have no proof, they believe one of the reasons why Australia's share of the components and accessories market is falling is because there is already subtle pressure being applied to favor American components. [end recording]

Australia, U.S. To Develop Missile Defenses

*LD1905081895 Melbourne Radio Australia
in English 0700 GMT 19 May 95*

[FBIS Transcribed Text] Australia is to help the United States develop defenses against ballistic missiles. From Canberra, Graeme Dobell reports that details of the agreement are to be announced later this month: Australia says its research cooperation with the United States to combat missile attacks will be consistent with

the Antiballistic Missile Treaty. It will be for development of ground-based theater missile defenses such as the Patriot missile used to shoot down Scud missiles in the Gulf war.

Canberra officials say this means there's no break with Australia's opposition to Star Wars research, which is for space-based defenses. Australia will help develop computer software used to detect and combat missiles.

Indonesian Presence in East Timor 'Oppressive'

*BK1705072495 Hong Kong AFP in English
0634 GMT 17 May 95*

[FBIS Transcribed Text] Sydney, May 17 (AFP) — Australian Foreign Minister Gareth Evans says that Indonesia's military presence in East Timor is oppressive and more than is needed for security, a radio report said.

He made the comments in a radio interview Tuesday when he said that "there was no visible progress towards the kind of reconciliation that we would all like to see" in the former Portuguese territory.

"There is no doubt there is an oppressive military presence in East Timor, far and away beyond that which is needed for the security of the place," Evans said in an interview with the Australian Broadcasting Corp.

The United Nations recognises Portugal as the legitimate administrator of East Timor, but Australia has recognised Indonesia's sovereignty over the province since it took over the territory in 1976.

Evans was speaking following statements by an Australian nurse who said he had secretly treated victims of alleged torture, rape and beatings by Indonesian soldiers while working for two-months in East Timor.

Simon de Faux, a 24-year-old trauma nurse at Melbourne's Alfred Hospital, had worked as a health worker for the Roman Catholic Church.

"There has been other evidence of a similar kind emerging in dribs and drabs over the past months, indeed the last years, and all of it is disconcerting," Evans said.

He said that Indonesian ministers and officials were among those who sought a draw-down of the military presence. "There is an active debate going on but that needs to be translated into action," he added.

Evans maintained there was a "a lot of openness, a lot of liberality creeping into the Indonesian system. We want it extended to East Timor."

De Faux told THE AGE newspaper that an Australian diplomat told him in East Timor "to keep quiet" about what he had seen there.

Commenting on de Faux's statement, Evans said: "He was advised in his own interests it might be wise not to say anything that would get into the press as long as he remained in Indonesia. But there was no advice ever given to him not to talk at all.

Police Complete Aum Activities Investigation

*LD1905084495 Melbourne Radio Australia
in English 0700 GMT 19 May 95*

[FBIS Transcribed Text] Australian federal police have completed their investigation into the activities of a Japanese religious sect on a remote property in western Australia. Sarin chemical residue was found in the carcasses of more than 20 sheep on the station. However, police say they found no evidence to suggest that the deadly Sarin chemical was tested on anything other than sheep found on the Bajwara property. They say it will be up to the Director of Public Prosecutions to determine if charges are to be laid. It has been alleged the Aum Supreme Truth sect was involved in a Sarin gas attack on the Tokyo subway system in March which killed 12 people and injured about 5,500.

New Zealand

Frank Holmes on Closer Integration With ASEAN

*BK1905030795 Melbourne Radio Australia
in English 0100 GMT 19 May 95*

[FBIS Transcribed Text] New Zealand and Australia say they want to be more closely integrated with the Association of Southeast Asian Nations. An advisor to the New Zealand Government, Sir Frank Holmes, said the two countries want to be integrated not only in trade and investment, but also in education, research, and security. Sir Frank said both Australia and New Zealand are looking forward to participating in the ASEAN economic ministers meeting in September.

He said both countries have similar aspirations to those of their Asian neighbors, particularly in maintaining peace and stability in the region.

On New Zealand and Australia being excluded from the proposed East Asia Economic Caucus, Sir Frank said the countries should not be left out on the grounds of racial, historical, or religious differences.

Papua New Guinea

Gordon Bilney Hails Bougainville Amnesty

*BK1905095395 Melbourne Radio Australia
in English 0500 GMT 19 May 95*

[FBIS Transcribed Text] Australia says Papua New Guinea has taken a critical step toward ending the six-

year Bougainville conflict by announcing an amnesty to various criminal forces, groups, and individuals.

The acting minister for foreign affairs, Gordon Bilney, welcomed the amnesty for those who committed crimes during the conflict. Mr. Bilney issued a statement urging all parties on Bougainville to embrace the goodwill

inherent in the agreement, which was announced by Papua New Guinea and the Bougainville Transitional Government yesterday. He said all Bougainvillians could now step forward without fear of persecution to join the discussion on Bougainville's future.

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